IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

KERRY JOHNSON and SHARON ANDERSON, on behalf of themselves and all others similarly situated,	
Plaintiffs,)	C.A. No. 1:06-cv408 (JJF)
v.) GEICO CASUALTY COMPANY,) GEICO GENERAL INSURANCE) COMPANY, and GEICO INDEMNITY) COMPANY,)	NON-ARBITRATION TRIAL BY JURY DEMANDED
Defendants.	

NOTICE OF SERVICE OF SUBPOENA

PLEASE TAKE NOTICE that the subpoena attached hereto as Exhibit A was served upon Fair Isaac Corporation c/o Corporation Service Company on January 4, 2008.

CROSS & SIMON, LLC

By:

Richard H. Cross, Jr. (No. 3576) Christopher P. Simon (No. 3697)

Kevin S. Mann (No. 4576)

913 North Market Street, 11th Floor

P.O. Box 1380

Wilmington, Delaware 19899-1380

(302) 777-4200

(302) 777-4224 Facsimile

rcross@crosslaw.com

csimon@crosslaw.com

kmann@crosslaw.com

Attorneys for Plaintiffs

Dated: January 11, 2008

Exhibit A

AO88 (Rev. 12/06) Subpoena in a Civil Case

Issued by the UNITED STATES DISTRICT COURT

	DISTRICT OF		DELAWARE
KERRY JOHNSON and SHARON ANDERSON, $f V$.		SUBPOENA IN A C	IVIL CASE
GOVERNMENT EMPLOYEES INSURANCE COMPANY, COMPANY, GEICO GENERAL INSURANCE COMPANY INDEMNITY COMPANY.		Case Number: 1:0	6-cv-408 (JJF) [D. Del.]
TO: Fair Isaac Corporation c/o Corporation Service 2711 Centerville Road, Suite 400 Wilmington, DE 19808	Company		
☐ YOU ARE COMMANDED to appear in the to testify in the above case.	United States Distr	rict court at the place	e, date, and time specified below
PLACE OF TESTIMONY			COURTROOM
			DATE AND TIME
☐ YOU ARE COMMANDED to appear at to deposition in the above case.	he place, date, and	time specified belo	bw to testify at the taking of a
PLACE OF DEPOSITION			DATE AND TIME
YOU ARE COMMANDED to produce and the place, date, and time specified below (list See Schedule A, attached.			llowing documents or objects at
PLACE Cross & Simon, LLC, 913 N. Market Street,	11th Floor, Wilmingto	on, DE 19801	DATE AND TIME 2/4/2008 at 10:00 a.m.
☐ YOU ARE COMMANDED to permit inspec	tion of the followin	g premises at the dat	e and time specified below.
PREMISES			DATE AND TIME
Any organization not a party to this suit that is subdirectors, or managing agents, or other persons who compatters on which the person will testify. Federal Rule ISSUING OFFICER'S SIGNATURE AND TITLE (INDICATE IN THE STATE OFFICER'S NAME ADDRESS AND PHONE NUMBER AND RESERVED AND PHONE NUMBER.	onsent to testify on it es of Civil Procedure, ATTORNEY FOR PLAIN PLAINTIFFS	s behalf, and may set for 30(b)(6).	designate one or more officers, orth, for each person designated, the
ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMB Kevin S. Mann (DE # 4576)	EK		
Cross & Simon, LLC, 913 N. Market Street, 11th Floor,			- Commence of the Commence of
(See Rule 45, Federal Rule	s of Civil Procedure, Subdivisi	ons (c), (d), and (e), on next page	3)

¹ If action is pending in district other than district of issuance, state district under case number.

	PROOF OF	SERVIO	CE
	DATE	PLACE	
SERVED	1/4/2008 @ 2:58 pm	2711	Centerville Rd., Ste. 400, Wilm., DE
SERVED ON (PRINT N	AME)	MAN	NER OF SERVICE
DIONNE MILLS,	AUTHORIZED TO ACCEPT SERVICE	, HAND	DELIVERY
SERVED BY (PRINT N	AME)	TITL	3
ADAM GOLDEN		SPS	
	DECLARATIO1	V OF SE	RVER
	penalty of perjury under the laws of the Unvice is true and correct.	nited Sta	tes of America that the foregoing information
Executed on	1/4/2008 DATE	D 5	ATURE OF SERVER M. PROFESSIONAL SERVICES Orchard Lane, Wilm., DE 19808 RESS OF SERVER

Rule 45, Federal Rules of Civil Procedure, Subdivisions (c), (d), and (e), as amended on December 1, 2006:

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2) (A) A person commanded to produce and permit inspection, copying, testing, or sampling of designated electronically stored information, books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and inspection inspection in the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to producing any or all of the designated materials or inspection of the premises - or to producing electronically stored information in the form or forms requested. If objection is made, the party serving the subpoena shall not be entitled to inspect, copy, test, or sample the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production, inspection, copying, testing, or sampling. Such an order to compel shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection.

(i) fails to allow reasonable time for compliance; (ii) requires a person who is not a party or an officer of a party to travel to a place

more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held;

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies; or

- (iv) subjects a person to undue burden.
- (B) If a subpoena
- (i) requires disclosure of a trade secret or other confidential research, or commercial via Commentian, or
- (ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or
- (iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject

to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions. 19808

- (d) DUTIES IN RESPONDING TO SUBPOENA.
- (1) (A) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.
- (B) If a subpoena does not specify the form or forms for producing electronically informationed person responding to a subpoena must produce the information in a form or forms in which the person ordinarily maintains it or in a form or forms that are reasonably usable.
- (C) A person responding to a subpoena need not produce the same electronically information advance than one form.
- (D) A person responding to a subpoena need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or to quash, the person from whom discovery is sought must show that the information sought is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) (A) When information subject to a subpoena is withheld on a claim that it is or subjectlegedrotection as trial-preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

(B) If information is produced in response to a subpoena that is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has and may not use or disclose the information until the claim is resolved. A receiving party may promptly present the information to the court under seal for a determination of the claim. If the receiving party disclosed the information before being notified, it must take reasonable steps to retrieve it. The person who produced the information must preserve the information until the claim is resolved.

(e) CONTEMPT. Failure of any person without adequate excuse to obey a subpoena served upon that person may be deemed a contempt of the court from which the subpoena issued. An adequate cause for failure to obey exists when a subpoena purports to require a nonparty to attend or produce at a place not within the limits provided by clause (ii) of subparagraph (c)(3) (A). AO88 (Rev. 12/06) Subpoena in a Civil Case

Issued by the UNITED STATES DISTRICT COURT

United States Dist	RICT COUR	RT
DISTRICT OF		DELAWARE
KERRY JOHNSON and SHARON ANDERSON,	SUBPOENA IN A	CIVIL CASE
f V. GOVERNMENT EMPLOYEES INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, and GEICO INDEMNITY COMPANY.	Case Number: 1	:06-cv-408 (JJF) [D. Del.]
TO: Fair Isaac Corporation c/o Corporation Service Company 2711 Centerville Road, Suite 400 Wilmington, DE 19808		
☐ YOU ARE COMMANDED to appear in the United States Dist to testify in the above case.	rict court at the pla	ce, date, and time specified below
PLACE OF TESTIMONY		COURTROOM
		DATE AND TIME
☐ YOU ARE COMMANDED to appear at the place, date, and deposition in the above case.	l time specified b	elow to testify at the taking of a
PLACE OF DEPOSITION		DATE AND TIME
YOU ARE COMMANDED to produce and permit inspection the place, date, and time specified below (list documents or objective Schedule A, attached.	and copying of the ects):	following documents or objects at
PLACE Cross & Simon, LLC, 913 N. Market Street, 11th Floor, Wilmings	on, DF 19801	DATE AND TIME
		2/4/2008 at 10:00 a.m.
☐ YOU ARE COMMANDED to permit inspection of the following	ng premises at the o	DATE AND TIME
PREMISES		DATE AND TIME
Any organization not a party to this suit that is subpoenaed for the taking directors, or managing agents, or other persons who consent to testify on it matters on which the person will testify. Federal Rules of Civil Procedure ISSUING OFFICER'S SIGNATURE AND TITLE (INDICATE IF ATTORNEY FOR PLAINTIFF'S Signature ATTORNEY FOR PLAINTIFF'S	ts benaif, and may se, 30(b)(6). INTIFF OR DEFENDAN	st form, for each person designated, the
ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER		
Kevin S. Mann (DE # 4576) Cross & Simon, LLC, 913 N. Market Street, 11th Floor, Wilmington, DE 198	301	
(See Rule 45, Federal Rules of Civil Procedure, Subdivi	sions (c), (d), and (e), on next	page)

AO88 (Rev. 12/06) Subpoena in a Civil Case			
PROOF OF SERVICE DATE PLACE			
SERVED			
SERVED ON (PRINT NAME)		MANNER OF SERVICE	
SERVED BY (PRINT NAME)		TITLE	
	DECLA	ARATION OF SERVER	
I declare under penalty of perjury under the laws of the United States of America that the foregoing information in the Rain of Service is true and correct.			
Executed on			
	DATE	SIGNATURE OF SERVER	
		ADDRESS OF SERVER	

Rule 45, Federal Rules of Civil Procedure, Subdivisions (c), (d), and (e), as amended on December 1, 2006:

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2) (A) A person commanded to produce and permit inspection, copying, testing, or sampling of designated electronically stored information, books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

- (B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and inspection inspection in the subject of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to producing any or all of the designated materials or inspection of the premises or to producing electronically stored information in the form or forms requested. If objection is made, the party serving the subpoena shall not be entitled to inspect, copy, test, or sample the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production, inspection, copying, testing, or sampling. Such an order to compel shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection. Copying, testing, or sampling bornshiring and proposed shall quash or the subpoding if it
 - (i) fails to allow reasonable time for compliance; (ii) requires a person who is not a party or an officer of a party to travel to a place
- more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held;
- (iii) requires disclosure of privileged or other protected matter and no exception or waiver applies; or
 - (iv) subjects a person to undue burden.
 - (B) If a subpoena
- (i) requires disclosure of a trade secret or other confidential research, or commercial information, or
- (ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or
- (iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject

to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

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- (C) A person responding to a subpoena need not produce the same electronically information than one form.
- (D) A person responding to a subpoena need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or to quash, the person from whom discovery is sought must show that the information sought is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) (A) When information subject to a subpoena is withheld on a claim that it is or subjectlegeneous trial-preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

- (B) If information is produced in response to a subpoena that is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has and may not use or disclose the information until the claim is resolved. A receiving party may promptly present the information to the court under seal for a determination of the claim. If the receiving party disclosed the information before being notified, it must take reasonable steps to retrieve it. The person who produced the information must preserve the information until the claim is resolved.
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SCHEDULE A

The following definitions and instructions apply.

DEFINITIONS

- 1. "Fair Isaac," "you," or "your" means Fair Isaac Corporation, including without limitation all of its corporate locations, and all present and past predecessors, successors, parents, divisions, subsidiaries, agents, affiliates, partnerships, and joint ventures, and all past and present directors, officers, owners, members, representatives, employees, and agents of these entities.
- 2. "GEICO" means Government Employees Insurance Company, GEICO Casualty Company, GEICO General Insurance Company, and/or GEICO Indemnity Company, including without limitation all of its corporate locations, and all present and past predecessors, successors, parents, divisions, subsidiaries, agents, affiliates, partnerships, and joint ventures, and all past and present directors, officers, owners, members, representatives, employees, and agents of these entities.
- 3. The term "Plaintiffs" means Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, their attorneys, accountants, agents and any other persons or entities acting on their behalf.
- 4. The term "Insured" or "Insureds" means any person residing in the State of Delaware who is a party to an automobile insurance and/or related agreement with one or more of the Defendants, including, but not limited to Plaintiffs, from June 26, 2001 to the present, and anyone acting on their behalf.
- 5. The term "person" means not only natural persons, but also, without limitation, firms, proprietorships, corporations, partnerships, associations, unincorporated associations, and governmental bodies, agencies, and officials and every other type of organization or entity.

- 6. The term "document" means the original and all drafts and copies (including copies bearing notations or marks not found on the original) of any writings or printed, graphic or electronically recorded materials of any nature whatsoever, including but not limited to, correspondence, records, reports, memoranda, notes, calendar or diary entries, letters, facsimile transmissions, envelopes, e-mails, telegrams, telexes, telephone bills, other written communications, messages (including, but not limited to, reports of telephone conversations and conferences), studies, summaries, tabulations, analyses, printed matter, minutes, photographs, film, tapes (electronic, audio and visual), computer diskettes, data files, financial statements, contracts, agreements, other legal documents and instruments, journals, ledgers, other accounting records, canceled or returned checks, manuals, orders, statements, bills, receipts, vouchers, notebooks, data sheets and records kept by any other means. In all cases where originals and/or non-identical copies are not available, the term "document" also means identical copies of original documents and copies of non-identical copies.
- 7. This definition includes all documents in your actual or constructive possession, custody or control, or in the possession, custody or control of your employer, attorneys, or agents. If any document was, but is no longer, in your possession or subject to your control or was known to you, but is no longer in existence, state whether it is:
 - (a) missing or lost;
 - (b) has been destroyed;
 - (c) has been transferred, voluntarily or involuntarily, to others; or
 - (d) otherwise disposed of and, in such instance, explain in detail the circumstances surrounding the authorization for such disposition and state the date or approximate date thereof.

- 8. The term "identify" means, when used in reference to:
- (a) a document, to state separately (i) its description (e.g., letter, report, memorandum, etc.), (ii) its date, (iii) its subject matter, (iv) the identity of each author or signer, (v) its present location and the identity of its custodian, (vi) the number of pages, and (vii) if any such document is no longer in your possession or subject to your control, to state what disposition was made of it and the date of the disposition.
- (b) a natural person or persons, to state separately (i) the full name of each such person, (ii) his or her present, or last known, business address, and (iii) his or her present, or last known, residential address;
- (c) an organization or entity other than a natural person (e.g., a company, corporation, firm, association, or partnership), to state separately (i) the full name and type of organization or entity, (ii) the date and state of organization or incorporation, (iii) the address of each of its principal places of business, and (iv) the nature of the business conducted; and
- (d) a conversation, to (i) provide the date of the conversation, (ii) provide the location, (iii) identify the participants, (iv) state whether the conversation was by telephone, in person, or by other means, and (v) state the details of the conversation.
- 9. The term "Litigation" means the case captioned: *Kerry Johnson, et al. v. GEICO Casualty Company, et al.*, Civil Action No. 1:06-CV-408-JJF (United States District Court for the District of Delaware).
- 10. The term "Complaint" means plaintiffs' first amended class action complaint filed in the Litigation, dated august 24, 2006, and any previously or subsequently filed complaint filed in the above-captioned class action proceeding. A copy of the Complaint is attached hereto as Exhibit 1.

- 11. The term "Answer" means any of defendants' pleadings responsive to the complaint.
- 12. The term "PIP" means Personal Injury Protection and any such policy of insurance provided by one or more of the Defendants to an Insured of the type described and governed by Chapter 21 of Title 21 of the State of Delaware Code (21 <u>Del. C.</u> § 2118B).
- 13. The term "IME" means a PIP-related medical evaluation of an Insured ordered by, or conducted by one or more of the Defendants.
- 14. The term "treatment provider" means any doctor, physician, therapist, group of physicians or associated medical, therapy or treatment practice including but not limited to any chiropractor, osteopath, nurse or other health care person that provided treatment to any Insured in connection with a PIP-related claim, or anyone acting on their behalf.
- 15. The term "IME provider" means any doctor, physician, therapist, group of physicians or associated medical, therapy or treatment practice retained by or contracted by one or more of the Defendants at any time for the purpose of conducting PIP-related insurance medical evaluations, including but not limited to any chiropractor, osteopath, nurse or other health care person engaged by Defendants to assess Plaintiffs' condition, injuries, complaints and/or medical records.
- 16. The term "medical provider' means any doctor, physician, therapist, osteopath, chiropractor, or medical-related, therapy or treatment practice, or group thereof, whatever it might be called, who or which provides medical service, treatment or medical procedure.
- 17. The term "medical procedure" means any procedure or treatment recommended, ordered, or directed by any medical provider.

- 18. "Person" means any individual or firm, association, organization, joint venture, trust, partnership, corporation, or other collective organization or entity.
- 19. "Product" means any tangible device, apparatus, system, or hardware, as well as any software (source code or otherwise), middleware, or firmware.
- 20. "Document" is defined broadly to be given the full scope of that term contemplated in Federal Rule of Civil Procedure 34, and includes all tangible things, all originals (or, if originals are not available, identical copies thereof), all non-identical copies of a document, all drafts of final documents, all e-mail, correspondence, and other communications, all other written, printed, or recorded matter of any kind, and all other data compilations from which information can be obtained and translated if necessary, that are or have been in Your actual or constructive possession or control, regardless of the medium on which they are produced, reproduced, or stored (including without limitation computer programs and files containing any requested information), and any recording or writing, as these terms are defined in Rule 1001, Federal Rules of Evidence. Any document bearing marks, including without limitation, initials, stamped initials, comments, or notations not a part of the original text or photographic reproduction thereof, is a separate document.
 - 21. The term "third party" means any Person other than you.
- 22. The term "Auto Advisor" means the databases created by Fair Isaac and used by GEICO.
- 23. The term "Smart Advisor" means the databases created by Fair Isaac and used by GEICO.

INSTRUCTIONS

- 1. In construing this discovery request: (a) the singular shall include the plural and the plural shall include the singular and (b) the words "and" and "or" shall be read either disjunctively or conjunctively so as to bring within the scope of this discovery request all information that might otherwise be construed to be outside its scope.
 - 2. With respect to any documents identified in your responses herein:
 - (a) Identify each such document;
 - (b) Describe each such document by type or title;
 - (c) State the date of each such document;
 - (d) Identify all authors and recipients of each such document;
 - (e) Describe in detail the subject matter of each such document; and
 - (f) Identify any precise privilege or protection you claim for each such document.
- 3. If an answer or any information is withheld on the ground of any privilege or immunity, state the following:
 - (a) The nature of the privilege or immunity being claimed;
 - (b) The type of document or the nature of the information;
 - (c) The general subject matter of the document or the information;
- (d) The identity of each person who created, sent, or received (i) the original of the document or any copy thereof, or (ii) the information;
- (e) The date(s) on which the document or information was created, sent, and/or received; and
 - (f) A description of the document or information sufficient to identify it.

- 4. In responding to these Discovery Requests, respondent shall identify the particular Defendant to which the response applies or relates.
- 5. Any electronically stored information produced in response to discovery requests should be produced in native file format, unless otherwise agreed upon.
- 6. This discovery requests are continuing in nature and you are required to promptly supplement your responses to this discovery request to the extent you locate additional documents or acquire additional information, or to the extent subsequent amended pleadings modify or raise new allegations and claims.
- 7. Plaintiffs reserve the right to amend, supplement, and/or modify these discovery requests.
- 8. All documents produced in response to these requests shall be produced at the offices of Cross & Simon, LLC, located at 913 North Market Street, 11th Floor, Wilmington, Delaware 19801.

REQUESTS FOR DOCUMENTS

- 1. All documents and things referring, reflecting, or relating to any communication between you and GEICO and/or any other third party concerning GEICO's use of Auto Advisor or Smart Advisor.
- 2. Any communications you have had with GEICO or any third party referring, reflecting, or relating to the Litigation.
 - 3. Any documents relating or referring to any averments in the Complaint.
- 4. All documents and things referring, reflecting, relating, or relied upon to develop, design, conceive, create, update or test Auto Advisor or Smart Advisor.

- 5. A copy of each guideline, method, rule, instruction, standard, policy, practice, system, software, hardware, procedure or other document you designed or created for use by GEICO from June 26, 2001 to the present to determine whether a charge for medical services submitted under PIP exceeds an amount which would appear reasonable when compared to the charges of other medical providers in an insured's same geographic area, including a list of the other medical providers and what their charges are for specific services.
- 6. All documents identifying the guideline, method, rule, instruction, standard, policy, practice, system, software, hardware, procedure or other document you designed or created for use by GEICO from June 26, 2001 to the present to determine whether a medical treatment billed under PIP exceeds the level of service required by the diagnosis given or the condition for which an insured is being treated, including a list of the other medical providers and what their charges are for specific levels of services.
- 7. All documents identifying the date when GEICO began using any guideline, method, rule, instruction, standard, policy, practice, system, software, hardware or procedure to determine whether a medical treatment billed under PIP exceeds the level of service required by the diagnosis given or the condition for which an Insured is being treated, including but not limited to any guideline, method, rule, instruction, standard, policy, practice, system, or procedure designed or created by you.
- 8. All documents identifying any guideline, method, rule, instruction, standard, policy, practice, system, software, hardware or procedure designed or created by you for use by GEICO for determining whether a charge by any treatment provider or medical provider in the State of Delaware for any medical treatment billed under PIP should be paid in any amount.

- 9. Copies of all computer or electronic software or program that you designed or created for use by GEICO from June 26, 2001 to the present for determining whether a charge for medical treatment billed under PIP exceeds an amount which would appear reasonable when compared to the charges of other providers in an insured's same geographic area. Identify all computer or electronic hardware that reflect, refer or relate to your answer.
- 10. All documents or recorded guideline, method, rule, instruction, standard, policy, practice, system, software, hardware, procedure, training manual, or other material designed or created by you and adopted, endorsed, used, relied upon by GEICO from June 26, 2001 to the present for analyzing and determining whether a claim arising under or related to PIP is reasonable or necessary as set forth in 21 <u>Del. C.</u> § 2118B.
- 11. All documents or recorded guideline, method, rule, instruction, standard, policy, practice, data, system, software, hardware, procedure, training manual, or other material drafted, adopted, endorsed, used, relied upon or created by you from June 26, 2001 to the present for analyzing and determining when a claim arising under or related to PIP should be paid or reimbursed, in full or in part.
- 12. Provide any and all documentation, guideline, method, rule, instruction, standard, policy, practice, data, system, software, hardware, procedure, training manual, or other material drafted, adopted, endorsed, used, relied upon or created by you to determine what constitutes a "reasonable" charge for medical treatment by a medical provider in the State of Delaware from June 26, 2001 to the present.
- 13. Any and all documents relating to any settlements of any kind between you and any third party arising out of, or related to a claim that your software failed to properly analyze or determine a level of service or cost of service for benefits.

Exhibit 1

IN THE UNITED STATES DISTRICT COURT FOR THE STATE OF DELAWARE

KERRY JOHNSON and SHARON ANDERSON, on behalf of themselves and all others similarly situated,)))
Plaintiffs,) C.A. No. 1:06-cv408 (JJF)
v.	
GOVERNMENT EMPLOYEES INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, GEICO INDEMNITY COMPANY, CRITERION INSURANCE AGENCY, INC., and COLONIAL COUNTY MUTUAL INSURANCE,) NON-ARBITRATION) TRIAL-BY JURY DEMANDED) CLASS ACTION)
Defendants.)

FIRST AMENDED CLASS ACTION COMPLAINT

Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, allege as follows:

Nature of Action

1. This is an action seeking recovery of compensatory, punitive and treble damages, reasonable attorneys' fees, and declaratory and other relief arising from defendants' breaches of insurance contracts; bad faith breaches of insurance contracts; violations of 21 <u>Del. C.</u> §§ 2118 and 2118B, 6 <u>Del. C.</u> §§ 2513 and 2532, 18 <u>Del. C.</u> § 2301 et seq., and 18 U.S.C. 1962; common law fraud; and otherwise wrongful refusal to honor their contractual obligations arising under certain policies of automobile insurance

issued by GOVERNMENT EMPLOYEES INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, GEICO INDEMNITY COMPANY, CRITERION INSURANCE AGENCY, INC. (COLONIAL COUNTY MUTUAL INS.), doing business as "GEICO" or "GEICO Direct", (collectively, "GEICO"), to members and representatives of the plaintiff class.

- 2. This is a class action brought on behalf of GEICO's Delaware policyholders who submitted covered claims for medical expenses or other benefits under Personal Injury Protection (or "PIP") coverage issued as part of GEICO's insurance contracts, or who were otherwise entitled to GEICO's performance under such coverage; but who, owing to GEICO's arbitrary, unreasonable, unjustified, unfair, fraudulent, deceptive and otherwise wrongful and illegal conduct (as shown by the arbitrary, regular, routine and consistent pattern and practice of claims), were denied the benefits and performances to which they were lawfully entitled.
 - The Parties
- 3. Plaintiff Kerry Johnson is a natural person residing at 1007 Mistover Lane Newark, Delaware 19713, and a named insured under GEICO IMDEMNITY COMPANY auto policy 4009-41-57-30. Mr. Johnson has tendered reasonable and necessary claims for PIP benefits under the subject policy to GEICO, including claims tendered on his behalf by health care providers.
- 4. Plaintiff Sharon Anderson is a natural person residing at 216 North Connell Street, Wilmington, Delaware 19805, and a named insured under GOVERNMENT EMPLOYEES INSURANCE COMPANY auto policy 0571-19-46-04.

 Ms. Anderson has tendered reasonable and necessary claims for PIP benefits under the

subject policy to GEICO, including claims tendered on her behalf by health care providers.

- 5. Defendant GOVERNMENT EMPLOYEES INSURANCE COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GOVERNMENT EMPLOYEES INSURANCE COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 6. Defendant GEICO CASUALTY COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO CASUALTY COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 7. Defendant GEICO GENERAL INSURANCE COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO GENERAL INSURANCE COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 8. Defendant GEICO INDEMNITY COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO INDEMNITY COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.

9. Defendant CRITERION INSURANCE AGENCY, INC. (COLONIAL COUNTY MUTUAL INS.) is an insurance company – a Texas corporation – whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. CRITERION INSURANCE AGENCY, INC. (COLONIAL MUTUAL INS.) is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.

Factual Background Applicable to the proposed Plaintiffs' Class

- 10. GEICO is a prolific underwriter of automobile insurance, including first-party medical benefits for persons injured while driving or occupying motor vehicles. In Delaware, such no-fault coverage is known as "personal injury protection" or "PIP."
- 11. When an individual is injured in an automobile collision, a no-fault policy is intended to provide coverage for medical bills incurred, and wages lost as a result of the accident. Legislators have intended such policies which are mandatory in Delaware to provide immediate coverage following an accident, regardless of who is at fault.
- 12. GEICO is a prolific advertiser in the insurance services market. GEICO's advertising campaign, which includes the slogan, "Fifteen minutes could save you fifteen percent or more on car insurance" is ubiquitous on television, radio and the internet.
- 13. For years, GEICO has derived substantial revenues and profits from the sale of insurance products in Delaware. For years, GEICO has failed to pay covered PIP benefits for its insureds.

- 14. 21 <u>Del. C.</u> § 2118B imposes definite requirements on the handling of PIP claims. Subsection (c), for example, requires insurers to "promptly process" PIP claims, and to either pay or deny them within thirty days. It also requires that an insurer's denial of coverage be explained to the insured in writing.
- 15. 21 <u>Del. C.</u> § 2118B(d) provides in part that if an insurer fails to pay covered PIP benefits within thirty days, and does so "in bad faith," the claimant is entitled to recover (in addition to the principal amount due) "an award for the costs of the action and the prosecution of the action, including reasonable attorney's fees...."
- 16. When GEICO denies PIP benefits, in whole or in part, a PIP claimant may file suit with the Department of Insurance. In such cases, the Department of Insurance typically, if not always, directs GEICO to pay PIP benefits to the PIP claimant. Notwithstanding repeated rulings by the Department of Insurance, GEICO continues to improperly reduce payments owed on bills, and denies PIP benefits in direct contradiction of rulings by the Department of Insurance and Delaware law.

GEICO's Fraudulent Practices

- 17. Under 21 <u>Del. C.</u> §§ 2118 and 2118B, and under GEICO's contractual obligations, GEICO must provide PIP benefits for reasonable and necessary medical expenses that arise from injuries sustained in automobile accidents. If these three elements reasonableness, medical necessity and causation are met, GEICO must pay the full amount of the expense incurred, subject to other statutory limitations.
- 18. PIP coverage is required for all motor vehicles registered in Delaware.

 The specifications for this coverage are set forth in the statute, and include coverage for

"reasonable and necessary" medical expenses. GEICO cannot depart from this specification without violating Delaware law.

- 19. For years, GEICO sold policies to its insureds with the express promise that its policies would save its insureds money, and that its policies would cover reasonable and necessary claims submitted under PIP. For years, individuals purchased policies from GEICO, believing that GEICO would honor its obligations under the policies and Delaware law.
- 20. For years, GEICO's insureds have submitted claims for reasonable and necessary medical bills and lost wages under PIP, in compliance with Delaware law. In return, GEICO engaged in an arbitrary and systematic delay or denial of full PIP benefits to Delaware claimants in violation of law, without reasonable basis or justification.
- 21. GEICO routinely fails to pay reasonable and necessary PIP claims in Delaware.
- 22. GEICO routinely fails to pay reasonable and necessary PIP claims in Delaware within the thirty-day statutory period under 21 <u>Del. C.</u> § 2118B.
- 23. GEICO states that it has implemented a medical expense review to analyze PIP claims. Under this "procedure," GEICO states that it limits its payment of PIP-related expenses to "the usual and customary charges for [the claimant's] area." In reality, GEICO conducts an arbitrary bill reduction, without justification. By doing so, GEICO violates Delaware law and breaches its contractual and legal obligations.
- 24. Medical expenses are not unreasonably excessive simply because they exceed what is usually charged in the locality - especially where the excess over the "usual" charge is nominal. In addition, a charge may exceed the "usual" charge and still

be reasonable, if it reflects the greater than-usual expertise of the care provider, or the care provider's use of state-of-the-art (and hence, more costly) equipment.

25. GEICO's insureds are held liable for unpaid medical bills. information and belief, Delaware doctors collect unpaid medical bills directly from GEICO's insureds. Delaware doctors refer unpaid medical bills to collection agencies - a fact that was explicitly recognized by the Delaware general assembly when it passed 21 Del. C. §2118 "to prevent the financial hardship and damage to personal credit ratings that can result from the unjustifiable delays of [PIP] payments." When GEICO withholds a portion of the treating physician's reasonable fee, it offers no protection to the insured, or the insured's personal credit ratings.

26. Additionally, GEICO wrongfully and arbitrarily denies PIP benefits without obtaining any independent medical or expert opinion justifying the termination of medical treatment for reasons of medical necessity or causation. The denial of benefits in whole, or in part, without any credible medical basis is prohibited under Delaware law.

Allegations Specific To Plaintiff Kerry Johnson

27. Plaintiff Kerry Johnson purchased GEICO insurance because GEICO represented it would cover his claims in the event of an automobile accident, and because he believed GEICO would fully cover him in the event of an automobile accident. Mr. Johnson paid his insurance premiums to GEICO.

28. Mr. Johnson was injured in an automobile collision in New Castle County, Delaware on or about July 16, 2004. As alleged above, Mr. Johnson was a named insured under a GEICO auto policy on the date of the accident.

- 29. In connection with his claim for PIP benefits, Mr. Johnson has been subjected by GEICO to the systematic practices complained of above.
- 30. GEICO has delayed payment of covered PIP benefits to Mr. Johnson without reasonable justification.
- 31. GEICO has denied payment of covered PIP benefits to Mr. Johnson without reasonable justification.
- 32. Specifically, Mr. Johnson received medical treatment from various providers including Family Practice Associates, P.A., Rehabilitation Associates, P.A., Delaware Neurosurgical Group, P.A., and Neurology Associates. Medical bills and medical records from these treating offices were provided to GEICO. These medical records documented the medical care providers' diagnosis, prognosis and treatment plan for Mr. Johnson.
- 33. Dr. John Moore, Mr. Johnson's family doctor, ordered Mr. Johnson to undergo physical therapy as a result of the accident. (Exhibit A, p. 2.) Dr. Barry Bakst, of Rehabilitation Associates, P.A., clearly wrote in his August 11, 2004 typed report that Mr. Johnson sustained exacerbated cervical spine pain, exacerbated lumbosacral spine pain, exacerbated anxiety/depression, myofacial pain, and thoracic strain as a result of the July 16, 2004 automobile accident. (Exhibit B, p 4.) Further, Dr. Bakst states, "The initiation of rehab and chiropractic care and my treatment is 100 percent related to the motor vehicle accident of 7/16/04." (Exhibit B.)
- 34. GEICO was provided with both medical bills and medical records from Mr. Johnson. (See, e.g., Exhibit C.) In addition, Mr. Johnson executed a medical

authorization so that GEICO was able to request the records from the medical providers directly. (Exhibit D.)

35. Even though Mr. Johnson satisfied his burden of proof by submitting medical records detailing that Plaintiff's injuries and treatment were reasonable and related to the July 16, 2004 accident, GEICO refused to make full and prompt payment. For example, when Mr. Johnson submitted bills from Neurology Associates for services performed on November 17, 2004 for brachial neuritis and thoracic and lumbosacral neuritis, GEICO reduced payment on a cervical CAT scan by ten dollars. The bill was \$731.00 and GEICO paid \$721.00, providing the general unsupported explanation that, "[t]he charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic area." (Exhibit E.) GEICO continued to use the same "rationale" to reduce payments for physical therapy: GEICO paid \$52.31 of a \$67.00 exercise bill; \$37.00 of \$38.00 stimulation bill; \$60.00 of a \$62.00 manipulation bill; \$60.00 of a \$90.00 office visit; \$94.00 of a \$98.00 group therapy bill; \$385.00 on a \$536.00 bill for electromyography performed on September 16, 2004, etc. (Exhibit F.)

36. GEICO added another "explanation" for reducing payment on a bill for an office visit on August 11, 2004 to Rehabilitation Associates. GEICO paid \$109.15 of a \$214.00 office visit bill and provided the following reason: "The procedure billed exceeds the level of service required by the diagnosis given or the condition for which this patient is being treated." (Exhibit F, p 6.) This "explanation" is a medical conclusion that is absolutely disallowed and unjustified absent an expert medical opinion

to rely on. GEICO did not have such a medical expert until an IME was performed in 2005.

- 37. GEICO has stated that if Mr. Johnson requests further consideration of any bill balances, a written response from the provider and the bill balance from the insured should be resubmitted. (Exhibit G.) As stated, Mr. Johnson routinely submitted medical records with the medical bills and the providers often submitted the bills as well. GEICO has still not paid these bills in full.
- 38. Mr. Johnson and his personal injury attorney have been advised by a collection agency, Delaware Recovery Systems, Inc., on behalf of Rehabilitation Associates, that if said attorney does not provide a letter of protection promising to pay the balance, they will "take appropriate action to collect the balance." (Exhibit H.)
- 39. Additionally, GEICO has failed to pay or deny Mr. Johnson's claims for PIP benefits within thirty days of its receipt of the same, in violation of 21 <u>Del</u>. <u>C</u>. §§ 2118 and 2118B.
- 40. GEICO has applied its fraudulent "usual and customary" scheme to Mr. Johnson's claims for PIP-related medical expenses. GEICO has thereby failed to pay the reasonable and necessary medical expenses arising from Mr. Johnson's July 16, 2004 collision, in violation of 21 Del. C. §§ 2118 and 2118B and GEICO's contractual obligations.

Allegations Specific to Sharon Anderson

41. Plaintiff Sharon Anderson purchased GEICO insurance because GEICO represented it would cover her claims in the event of an automobile accident, and

because she believed GEICO would fully cover her in the event of an automobile accident. Ms. Anderson paid her insurance premiums to GEICO.

- 42. Ms. Anderson was injured in an automobile collision in New Castle County, Delaware on or about August 3, 2004. As alleged above, Ms. Anderson was a named insured under a GEICO auto policy on the date of the accident.
- 43. In connection with her claim for PIP benefits, Ms. Anderson has been subjected by GEICO to the systematic practices complained of above.
- 44. GEICO has delayed payment of covered PIP benefits to Ms. Anderson without reasonable justification.
- 45. GEICO has denied payment of covered PIP benefits to Ms. Anderson without reasonable justification.
- Batter Family Medicine and Pro Physical Therapy for her injuries related to the August 3, 2004 accident. Ms. Anderson treated for headaches, and neck and back pain. Dr. Horatio Jones, of Stoney Batter Family Medicine, ordered physical therapy which she received at Pro Physical Therapy from July 19, 2005 through October 27, 2005. Dr. Jones provided a detailed, typed report dated November 14, 2005 that states that as of Ms. Anderson's last visit on October 10, 2005, "she was left with mild neck pain and low back pain which may be exacerbated from time to time." (Exhibit I, p. 1.) The report also explained that Ms. Anderson had prior low back pain, but "it is within a reasonable degree of medical probability that the accident which occurred on August 3, 2004 did exacerbate her low back condition." (Exhibit I, p. 2.)

47. Ms. Anderson received treatment at Stoney Batter Family Medicine on August 5, 2004, and GEICO paid \$145.00 of a \$145.00 bill. Strangely, on June 13, 2005, when Ms. Anderson had the same type of office visit and was charged \$145.00, GEICO only paid \$114.00. (Exhibit J.) Ms. Anderson was informed by her provider that "Balance shown [\$31.00] is patient's responsibility." (Exhibit J, p. 2.)

48. From July 21, 2005 to October 27, 2005, Ms. Anderson treated at Pro Physical Therapy and GEICO routinely failed to pay her bills in full, without justification. For example, on July 21, 2005, GEICO paid \$0 of a \$35.00 stimulation bill and \$0 of a \$30.00 hot/cold pack treatment bill. (Exhibit K, p. 1.) GEICO provided the following "explanation": "The provider performed a physical medicine modality that would provide no therapeutic benefit during the chronic period of the diagnosed conditions." (Exhibit K, p. 2.) GEICO had not performed an IME and therefore had no medical expert basis for giving such an "explanation." It appears that GEICO continued to use a variation on that explanation to deny some physical therapy bills in full: "physical medicine modalities the [sic] provide no therapeutic benefit during the chronic period of the diagnosed condition are not reimbursable." (Exhibit K, p. 2.)

49. With respect to bills for hot/cold pack treatment and stimulation on October 4, 2005, October 6, 2005, October 10, 2005, and October 12, 2005, GEICO denied payment based on a new "explanation": "Submit medical records so that we may determine the length of acute care based on the patient's age, diagnosis and medical intervention. The medical records must include positive, specific, objective findings to indicate the appropriate use of the physical modality as well as a progression to an active therapeutic exercise program with a decrease in passive modalities. If we are unable to

validate ongoing acute care, we may seek independent medical review." (Exhibit L, p. 3.) Ms. Anderson provided GEICO with relevant medical records. Although GEICO is not permitted and unjustified to "determine the length of care" without the opinion of a medical expert, which it did not have, Ms. Anderson was charged with a balance of \$1,302.00. (Exhibit M.)

50. GEICO denied payment of covered PIP benefits purportedly because it determined that Ms. Anderson's treatment "would provide no therapeutic benefit during the chronic period of the diagnosed conditions," notwithstanding the fact that GEICO conducted no medical examination of Ms. Anderson prior to making that determination.

51. GEICO has failed to pay or deny Ms. Anderson's claims for PIP benefits within thirty days of its receipt of the same, in violation of 21 <u>Del. C.</u> §§ 2118 and 2118B.

52. On information and belief, GEICO has applied its fraudulent "usual and customary" scheme to Ms. Anderson's claims for PIP-related medical expenses. GEICO has thereby failed to pay the reasonable and necessary medical expenses arising from Ms. Anderson's August 3, 2004 collision, in violation of 21 <u>Del. C.</u> §§ 2118 and 2118B and its contractual obligations.

Class Certification Allegations¹

53. This action is brought and may properly be maintained as a class action pursuant to Superior Court Civil Rules 23(a) and (b) (1) (A), (2) and (3). Plaintiffs Kerry Johnson and Sharon Anderson bring this action on behalf of themselves and all others similarly situated, as representative of the following proposed class: All of

Plaintiffs' allegations for class certification do not constitute a motion for class certification, and Plaintiffs reserve the right to pursue discovery on issues related to class certification prior to filing a motion therefor.

GEICO's Delaware insureds who, during the period GEICO has issued insurance in Delaware, submitted covered (reasonable and necessary) claims for medical expenses or other benefits under PIP coverage issued as part of GEICO's insurance contracts; but who, owing to GEICO's unreasonable, unfair, fraudulent, deceptive and otherwise wrongful conduct (as shown by the regular, routine and consistent pattern and practice of claims alleged above), were denied the benefits and performances to which they were entitled, or otherwise subjected to injury.

Numerosity of the Class (Fed. R. Civ. P. 23(a)(1))

54. The proposed class is so numerous that the individual joinder of all its members is impracticable. GEICO has been, at all relevant times, a major underwriter of PIP coverage, and it remains so today. While the exact number and identities of the proposed class members is presently unknown and can only be determined through investigation and discovery, Plaintiffs are informed and believe that the proposed class includes over 1,000 members.

Existence and Predominance of Common Questions of Law and Fact (Fed. R. Civ. P. 23(a)(2), 23(b)(3))

- 55. Common questions of law and fact exist as to all members of the proposed class. They include, without limitation, the following:
- a. Whether GEICO engages in the delay or denial of covered PIP benefits in Delaware without reasonable justification, and as a matter of regular business practice;
- b. Whether GEICO engages in the practices complained of in the paragraphs above as a matter of regular business practice;

- c. Whether GEICO engages in the practices proscribed under 18 <u>Del</u>.
 <u>C</u>. § 2303 as a matter of regular business practice;
- d. Whether GEICO engages in the practices proscribed under 18 <u>Del</u>.
 <u>C.</u> § 2304(16) as a matter of regular business practice;
- e. Whether GEICO's conduct is in violation of 21 <u>Del. C.</u> §§ 2118 and 2118B;
 - f. Whether GEICO's conduct is in violation of 6 Del. C. § 2513;
 - g. Whether GEICO's conduct is in violation of 6 <u>Del</u>. <u>C</u>. § 2532;
 - h. Whether GEICO's conduct is in violation of 18 U.S.C. §1962;
- i. Whether GEICO has evinced a conscious indifference to the rights of the proposed class members;
- j. Whether the subject insurance contracts constitute property insurance within the meaning of 18 <u>Del. C.</u> §904;
- k. Whether the proposed class is entitled to compensatory damages,
 and if so, the amount of such damages;
- Whether the proposed class is entitled to treble damages, and if so, the amount of such damages;
- in. Whether the proposed class is entitled to punitive damages, and if so, the amount of such damages; and
- n. Whether the proposed class is entitled to recovery of its reasonable attorneys' fees, and if so, the amount of such fees.

Typicality of Claims (Fed. R. Civ. P. 23(a)(3))

56. Plaintiffs' claims are typical of the claims of the members of the proposed class. Mr. Johnson and Ms. Anderson are GEICO insureds with pending, unpaid claims for PIP benefits that GEICO has denied. To the extent that GEICO has paid PIP benefits to Mr. Johnson and Ms. Anderson, it has failed to do so in a timely manner. As alleged above, Mr. Johnson and Ms. Anderson have been subjected to the systematic practices identified above. All members of the proposed class have been subjected to one or more of the same systematic practices; and all members of the proposed class, including Mr. Johnson and Ms. Anderson, have been injured thereby. None of the proposed class members, including Mr. Johnson and Ms. Anderson, were aware of GEICO's fraudulent practices and intent at the time they purchased PIP insurance from GEICO.

Adequacy of Representation (Fed. R. Civ. P. 23(a)(4))

57. Mr. Johnson and Ms. Anderson are under no actual or potential conflict of interest with respect to other members of the proposed class, and will fairly and adequately protect their interest. They have retained attorneys experienced in the prosecution of complex litigation, complex coverage litigation, PIP-related litigation, and complex trial practice.

Superiority of Class Action (Fed. R. Civ. P. 23(b)(3))

58. A class action is superior to other available methods of adjudication for this dispute, because individual joinder of all members of the proposed class is impracticable, and no other method of adjudication of the claims asserted herein is more efficient and manageable. Further, the damages suffered by individual members of the

proposed class may be relatively modest, so that the burden and expense of prosecuting individual actions would make it difficult or impossible for such members to obtain relief. The prosecution of such individual actions would also impose a substantial burden on the Delaware trial courts, and on this Court in particular. At the same time, individualized litigation would entail a significant risk of varying, inconsistent or contradictory judgments, and would magnify the delay and expense to all parties and the courts, by requiring multiple trials for the same complex factual issues. By contrast, the class action mechanism presents fewer case-management problems; conserves the resources of the parties and the courts; and protects the rights of each member of the proposed class. The proposed class members thus have little interest in individually controlling the prosecution of separate actions; and to counsel's knowledge, there has been no substantial litigation of this dispute in any forum. It is not anticipated that the prosecution of this dispute as a class action will entail any special case-management difficulties; and notice of the pendency of this action, and of any resolution of the same, can be provided to the proposed class by publication and/or individual notice.

Other Grounds for Certification

- 59. This action is also certifiable under Superior Court Civil Rules 23(b)(1) and (2) because:
- a. The prosecution of separate actions by the individual members of the proposed class would create a risk of inconsistent or varying adjudications with respect to such individual class members, thus establishing incompatible standards of conduct for GEICO; and
 - b. GEICO has acted or refused to act on grounds generally applicable

to the class, thereby making appropriate declaratory relief with respect to the class as a whole.

Tolling Of Applicable Statutes Of Limitation

60. Any applicable statutes of limitation have been tolled by GEICO's fraudulent concealment of the systematic practices alleged above. Because GEICO deals with each proposed class member individually, such class members are unable, acting alone, to discover GEICO's pattern of fraudulent conduct and racketeering activity. At the moment that each proposed class member's insurance contract with GEICO was formed, GEICO was already engaging in the systematic practices complained of herein, and so had already formed its intent to pursue such practices; but in each case, GEICO concealed that (inherently unknowable) intent from its prospective insured.

COUNT I Declaratory Judgment

- 61. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- 62. Under Delaware law, and under the obligations imposed by GEICO's respective insurance contracts with the proposed class members, GEICO was required to pay covered claims for PIP benefits.
- 63. Under Delaware law, and under the obligations imposed by GEICO's respective insurance contracts with the proposed class members, GEICO was required to pay covered claims for PIP benefits with reasonable promptness.

- 64. GEICO has failed to pay the proposed class members' covered claims for PIP benefits.
- 65. GEICO has failed to pay the proposed class members' covered claims for PIP benefits with reasonable promptness.
- 66. An actual controversy of a justiciable nature exists between Plaintiffs
 Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly
 situated (on the one hand) and GEICO (on the other), concerning the parties' rights and
 obligations under the subject GEICO insurance contracts. The controversy is of sufficient
 immediacy to justify the entry of a declaratory judgment.
- 67. Declaratory relief by this Court will terminate some or all of the existing controversy between the parties.
- 68. Plaintiffs, on behalf of themselves and all others similarly situated respectfully request that this Court enter judgment, as a matter of law, that: (i) GEICO violated 21 Del. C. § 2118; and (ii) GEICO breaches its contracts with its insureds by failing to pay claims submitted in accordance with Delaware's PIP statute.

COUNT II Breach of Contract

- 69. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- 70. Plaintiffs, and all those similarly situated, purchased GEICO insurance because GEICO represented it would cover claims in the event of an automobile accident, and because they believed GEICO would fully cover properly submitted claims in the

event of an automobile accident. Plaintiffs, and all those similarly situated, paid their insurance premiums to GEICO.

71. GEICO has breached the subject contracts of insurance by delaying or denying payment of covered claims for PIP benefits.

72. As a direct result of GEICO's breaches of the subject insurance contracts, Plaintiffis Kerry Johnson and Sharon Anderson, and all others similarly situated have been deprived of the beautift of the insurance coverage for which premiums were paid under those contracts. As a further result of GEICO's breaches of contract, Plaintiffis Kerry Johnson and Sharon Anderson and all others similarly situated have been deprived of necessary medical care, with resulting pain and suffering and exacerbation of injury. As a further result of GEICO's breaches of contract, Plaintiffs have suffered economic loss, including paying medical bills that should have been covered by insurance, facing collection actions by Delaware doctors and third party collection agencies, and being referred to negatively to credit agencies

COUNT III Bad Faith Breach of Contract

73. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

74. GEICO's denial of covered PIP benefits, as heretofore alleged, has been without reasonable justification.

75. GEICO's delay in the payment of covered PIP benefits, as heretofore alleged, has been without reasonable justification.

76. GEICO knowingly and intentionally violated its contract with Plaintiffs and applicable law by performing arbitrary and improper bill reductions, without justification.

77. As a direct result of GEICO's bad faith breaches of the subject insurance contracts, Plaintiffs and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT IV Breach of the Duty of Fair Dealing

78. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

79. GEICO has failed and refused to deal fairly with plaintiffs Kerry Johnson and Sharon Anderson, and with all others similarly situated, in connection with their covered claims for PIP benefits.

80. As a direct result of GEICO's breaches of its contractual duty of fair dealing, plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated, have suffered and will suffer injury as heretofore alleged.

COUNT V Common Law Fraud

81. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

82. The insurance contracts sold by GEICO to Plaintiffs Kerry Johnson and Sharon Anderson, and to all others similarly situated, contained representations of fact. Among them was the representation mandated by 21 Del. C. §§ 2118 and 2118B — that covered PIP benefits, including reasonable and necessary medical expenses, would be paid.

- because GEICO promised it would pay covered claims in the event of an automobile accident, and because they believed GEICO would fully pay covered claims, including reasonable and necessary medical expenses and lost wages under PIP in the event of an automobile accident. Plaintiffs, and all those similarly situated, paid their insurance premiums to GEICO.
- 84. An implied representation of fact contained in all the disputed insurance policies was that GEICO would neither delay nor deary payment of covered PIP benefits without reasonable justification.
- 85. An implied representation of fact contained in all the disputed insurance policies was that GEICO would deal fairly with its insureds under those contracts.
- 86. Representations of fact made by GEICO under the disputed policies, including the representations alleged in the paragraphs above, were false.
- 87. GEICO knew that the subject representations were false at the time they were made.
- 88. GEICO believed that the subject representations were false at the time they were made.
- 89. The subject representations were made by GEICO with reckless indifference to their truth or falsity.

- 90. GEICO made the subject representations with the intent to induce Plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated, to enter into the disputed insurance contracts with GEICO, and to make premium payments to GEICO thereon.
- 91. Plaintiffic Kerry Johnson and Sharon Anderson, and all others similarly situated entered into the disputed insurance contracts with GEICO in reliance on the subject representations.
- 92. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, were justified in relying on GEICO's representations as alleged.
- 93. In addition to its affirmative acts of misrepresentation, GEICO also concealed from Plaintiffs Kerry Johnson and Sharon Anderson, and from all others similarly situated, its intent to dishonor its contractual obligations under the disputed insurance contracts, and the systematic practices by which it would do so.
- 94. As a direct result of GEICO's frandulent representations and concealment, Plaintiffs Kerry Johnson and Sharon Anderson and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT VI Consumer Frank

- 95. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
 - 96. GEICO's conduct, as alleged above, is in violation of 6 Del. C. § 2513.

- 97. Specifically, as set forth herein, GEICO has engaged in deception, fraud, false pretense, false promise, misrepresentation, concealment, suppression or omission of material facts with its insureds, with the intent that its insureds and prospective customers rely on such conduct in connection with the sale or advertisement of its products.
- 98. As a direct result of GEICO's violations of 6 Del. C. § 2513, Plaintiffs
 Kerry Johnson and Sheary Anderson, and all others similarly situated have suffered and
 will suffer injury as heretofore alleged.

COUNT VII <u>Uniform Deceptive Trade Practices</u>

- 99. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- 100. GEICO's conduct, as alleged above, is in violation of 6 Del. C. §
 2532. On information and belief, in the course of GEICO's business, GEICO's conduct
 which is violative includes, but is not limited to:
 - a. GEICO represents that GEICO's insurance services provide all benefits as required by Delaware law when it does not;
 - b. GEICO represents that GEICO's insurance services meet
 the standards set by Delaware law when it does not;
 - c. GEICO advertises services that purportedly meet the standards set by Delaware law with the intent not to sell them as advertised;

- d. GEICO engages in conduct as set forth in this Complaint which creates a likelihood of confusion or misunderstanding.
- 101. As a direct result of GEICO's violations of 6 Del. C. § 2532, Plaintiffs Keary Johnson and Sheary Anderson, and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT VIII 18 Del. C. § 2301 et seg.

- 102. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- 103. GEICO regularly advertises that its policies will save its insureds money, and that it will pay covered claims. In fact, as set forth herein, GEICO misrepresents the benefits, advantages, conditions or terms of its insurance policies, in violation of 18 Del. C. § 2304(1).
- 104. GEICO's conduct, described herein, further violates 18 Del. C. § 2304(2), in that it repeatedly publishes statements which are untrue, deceptive or misleading.
- 105. GEICO's conduct described herein also violates 18 Del. C. § 2304(16). GEICO misrepresents the benefits of its insurance policies, fails to acknowledge and act reasonably promptly upon communication with respect to claims arising under its insurance policies, refuses to pay claims without conducting a reasonable investigation based upon all available information, fails to affirm or deary coverage of claims within a reasonable time after proof of loss statements have been

completed, and compels its insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds.

106. As a result of GEICO's violations of 18 Del. C. § 2301, et seq., Plaintiffs, and all those similarly situated, are entitled to damages, including statutory damages provided for by this Act.

COUNT IX Racketeering Activity

- 107. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- 108. GEICO is an enterprise as defined by 18 U.S.C. §1961(4), by which it sells automobile insurance products, including policies for PIP coverage, in Delaware.
- 109. GEICO has engaged in a pattern of racketeering activity to operate an enterprise which is engaged in activities that affect interstate commerce, in violation of 18 U.S.C. § 1962(a). GEICO receives substantial income from its racketeering activities.
- 110. GEICO regularly uses the United States mail to conduct its scheme to defraud its insureds and prospective customers, and for the purpose of executing, or attempting to execute, its scheme to defraud its insureds and prospective customers.
- 111. Through a pattern of racketeering activity, including two or more acts of mail fraud (as defined under 18 U.S.C. § 1341), GEICO has participated in the fraudulent insurance enterprise alleged above.

- 112. As a direct result of GEICO's pattern of racketeering activity,
 Plaintiffs and all others similarly situated have suffered and will suffer injury as
 heretofore alleged.
- 113. As a direct result of GEICO's pattern of racketeering activity,
 Plaintiffs and all others similarly situated have been injured in their property; namely, in
 their loss of money and contract rights.

WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated, respectfully requests that this Court enter judgment as follows:

- a. Entering an Order certifying the plaintiff class, appointing Plaintiffs Keary Johnson and Sharon Anderson as representatives of that class, and appointing Mr. Johnson's and Ms. Anderson's counsel to represent that class, all pursuant to Superior Court Civil Rule 23;
- b. Declaring the parties' rights, duties, status or other legal relations under the disputed insurance contracts and 18 Del. C. § 2118;
- c. Awarding to Plaintiffs and all others similarly situated damages, including compensatory damages, consequential and incidental damages, for GEICO's breaches of its insurance contracts;
- d. Awarding to Plaintiffs and all others similarly situated punitive damages for GEICO's bad faith breaches of its insurance contracts;
- e. Awarding to Plaintiffs and all others similarly situated punitive damages for GEICO's breaches of its contractual duty of fair dealing;
- f. Awarding to Plaintiffs and all others similarly situated compensatory, consequential and punitive damages for GEICO's common law fraud;

- g. Awarding to Plaintiffs and all others similarly situated compensatory, consequential, treble and punitive damages for GEICO's violations of 6 Del. C. § 2513;
- h. Awarding to Plaintiffs and all others similarly situated compensatory, treble damages and, to the extent the Court finds that GEICO willfully engaged in a deceptive trade practice, reasonable attorney fees and costs for GEICO's violation of 6 Del. C. § 2532;
- i. Awarding to Plaintiffs and all others similarly situated compensatory, treble damages and, to the extent the Court finds that GEICO willfully engaged in a deceptive trade practice, reasonable attorney fees and costs for GEICO's violation of 18 Del. C. § 2301 et seq.;
- j. Awarding to Plaintiffs and all others similarly situated compensatory damages, treble damages and reasonable attorneys' fees for GEICO's violation of 18 U.S.C. § 1962;
- k. Awarding to Plaintiffs and all others similarly situated their reasonable attorneys' fees in the prosecution of this action, consistent with 18 Del. C. § 4102;
- l. Awarding to Plaintiffs and all others similarly situated all costs of this action, all costs of the prosecution of this action, and their reasonable attorneys' fees, consistent with 21 Del. C. §§ 2118 and 2118B;
- m. Awarding to Plaintiffs interest for unpaid claims, consistent with 21 Del. C. § 2118.
 - n. Awarding to Plaintiffs and all others similarly situated all costs of

this action;

- o. Awarding to Plaintiffs pre- and post-judgment interest; and
- p. Awarding such other and further relief as this Court decans just and

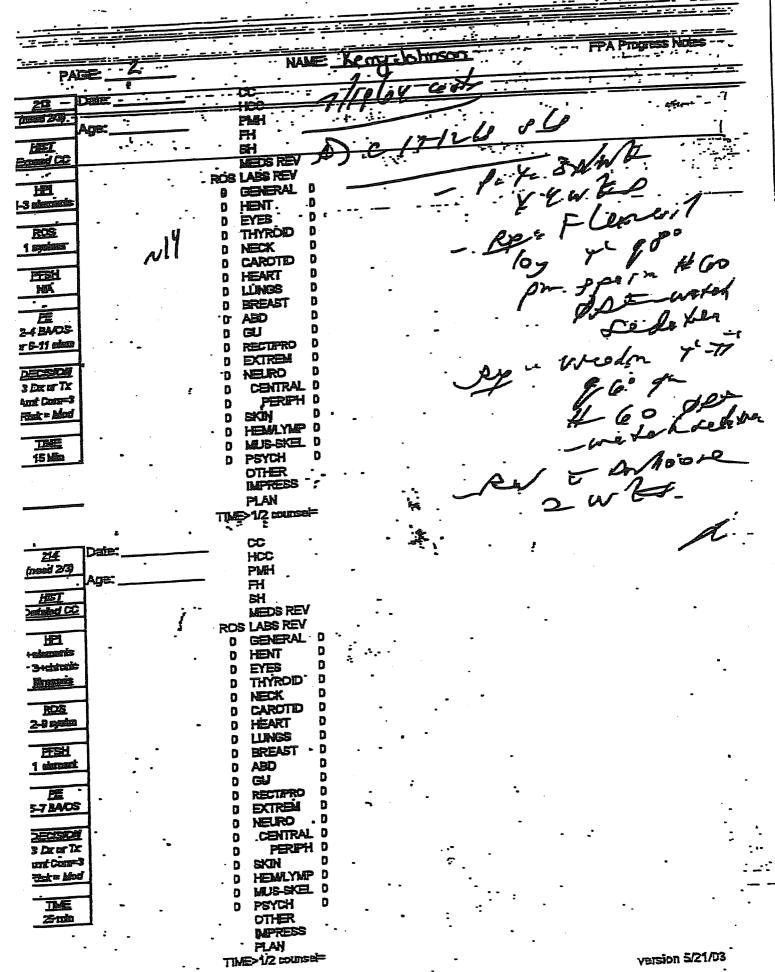
appropriate.

Dated: August 24, 2006 Wilmington, Delaware CROSS & SIMON, LLC

Richard H. Cross, Jr. (No. 3576)
Christopher P. Simon (No. 3697)
Kristen Healy Cramer (No. 4512)
Kevin S. Mann (No. 4576)
913 North Market Street, 11th Floor
P.O. Box 1380
Wilmington, Delaware 19899-1380
(302) 777-4200

Attorneys for Plaintiffs

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EXHIBIT B

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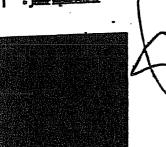
FOLLOWUP VISIT RE: Kerry Johnson DATE: 8/11/04

John Moore, DO 1100 S. Broom Street Wilmington, DE 19805

Dear Dr. Moore:

Today I had the opportunity of reevaluating your patient, Kerry Johnson, in our office. He was last seen over one year ago, in May of 2003. Since that time, he states that he continued to have intermittent episodes of neck and low back pain; however, in general he was doing better. Unfortunately, he was involved in a motor vehicle accident on 7/16/04. He was the driver of a car that was hit from behind from snother, and then his car was pushed into the car in front him. He was wearing a seathelt and denies any head injury, or loss of consciousness, or memory problems. He noted some neck and low back pain; however, he went home, and his pain increased later on that night. He took some hydrocodone that he had around the house, and he subsequently saw Dr. Krasner on 7/19/04. He was then seen in followup several weeks later by you and was referred to our office for further evaluation and iresiment

Currently, he relates to having cervical spine pain that is constant, is a burning type pain, and intermittent episodes of sharp, stabbing pain. Previously admits to pain radiating bilateral upper extremities, and it goes to the left upper extremity to the ring finger and the right to the middle finger. He states at times it goes into the right thumb. He states that with elevating his left arm and reaching above his shoulder be notes a numbness and tingling in his left ann with intermittent episodes of weakness. He states on a scale of 0-10, with 0 being no pain and 10 being severe, excruciating, unbearable pain, his cervical spine pain is between a 7 and 8/10. It is a burning sensation in the mid back area, and relates to having low back pain that at times is a sharp, stabbing pain, at other times a dull aching pain. His low back pain is a 6/10. He has intermittent episodes of pain radiating his left lower extremity to his calf area. He denies any weakness in either of his lower extremities. He states that activities that increase his pain include sitting. Activities that



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hak had little hat here [197] 23-1528 • 2006 Fronk Road, Soine B., Wilmington, DE 19810 • Free (302) 529-7470 Haird hts Camber [22] R.- 223 • 700 Les Bonkword, Soine 102, Wilmington, DE 19810 • Face (902) 529-7476

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www.delawardachpia.com

FOLLOWUP VISIT
RE: Kery Johnson
DATE: \$/11/04
Page 2

decrease his pain incinde changing positions, as well as taking his pain medication. The pain at times awakes him at night. He does have a precristing history of cervical and lumbosacral spine pain, and this motor vehicle accident markedly increased his musculoskeletal symptomatologies.

He has been taking hydrocodone and Flexeril, and he feels that that does help.

"He denies any drug affergies.

He states he has been having difficulty swallowing that predated his motor vehicle accident, and he is scheduled for a GI evaluation on 8/17/04. He also has intermittent episodes of headaches. He denies any history of diabetes mellitus, rheumatic fever, scarlet fever, tuberculosis, hypertension, peptic ulcer disease, flyroid problems, kidney problems, chest pain, or shortness of breath. Review of systems is negative other than that which has been noted.

His past surgical history is significant for cervical spine surgery in 1992, then again in 2002. He has not had any new surgeries since his last visit last year. He is married and has four children between the ages of 27 and 13. He has not worked since November of 1999 and worked as a dock worker loading and unloading ships. He states that recently he has been looking for alternative employment. He denies smoking digarettes, and he is a social drinker on occasion. He is continent of bowel and bladder.

PHYSICAL EXAMINATION: His blood pressure is 130/82, his height is 5'11", his weight is 180-1/2 pounds, and he is afebrile. Skin is soft and moist and no areas of ecchymosis. Cranial nerves III-XII are grossly intact. He does appear to be somewhat anxious and depressed. Cranial nerves III-XII are grossly intact. Speech and comprehension are intact. Deep tendon reflexes in the biceps and triceps are 2+/4 and symmetric. Brachioradialis is 1/4 and symmetric, and knee jeaks 2/4, and the Achilles reflex is 1/4 and symmetric. Sensation is decreased in the left upper extremity versus the right and the left lower extremity versus the right lower extremity, however, it does not follow any specific demastranal abnormality. He does have a positive Tinel's percussing the left median nerve and has a positive Phalen's sign at 10 seconds. He has a negative Hoffmann sign and has a negative Babinski sign. There is no closus or fasciculations noted. He is able to get up on his tiptoes and his heels without any difficulty. On muscle strength testing, it is difficult and his heels without any difficulty. On muscle strength testing, it is difficult

FOLLOWUP VISIT RE: Kerry Johnson DATE: 8/11/04 Page 3

to accurately assess secondary to pain being a limiting factor. There is no clear weakness in a nationlar fashion.

Range of motion of cervical spine is restricted, and he can rotate to about 30 degrees bilaterally then he has decreased pain. Extension causes more discomfort than flexion. Rotation and side bending causes pain. On Specing's manager he has pain in bilateral cervical and trapezius areas without pain radiating past his shoulder area. There is ropiness and tenderness from the occipital to T1. There is tendemess in the trapezius and levator scapulae region with some tent bands and several trigger points. There is also repiness in the dorsal paraspinal region.

Flexion of his humber spine is his fingertips getting to about 2" below his knees and then he has increased pain. Extension 10 degrees. Rotation and side and bending causes pain, and he has sacral base unleveling. There is soreness in the lumber area. When having him sit at the side of the table and extending his knees, he has increased low back pain, and he has hamstring tightness on straight leg raising with a negative crossed straight leg raising sign. Functionally, he ambulates independently.

IMPRESSION:

- 1) Cervical spine pain secondary to strain and sprain with precristing history of chronic cervical spine pain and previous history of anterior diskectomy and anterior body arthrodesis that occurred on 5/26/02 - recent exacerbation secondary to his motor vehicle accident of 7/16/04
- 2) Lambomeral spine pain secondary to strain and sprain with prescisting history of chronic intermittent lumbosacral spine pain with
- 014 00006 L5-S1 and recent exacerbation. 3) Anticty/depression - recent exacerbation.
 - 4) Myofascial type pain.
 - 5) Thoracie spine pain secondary to strain and sprain.

PLAN AND RECOMMENDATION: At this time, I did discuss his problems with him in detail. This initiation of rehab and chiropractic care and

FOLLOWUP VISIT RE: Kerry Johnson DATE: 8/11/04 Pers 4

my treatment is 100 percent related to the motor vehicle accident of 7/16/04. If it were not for the 7/16/04 motor vehicle accident, he would not be seeing me or be requiring rehab therapy or chiropractic treatment at this time and would be following up with you. I have given him a prescription for a cervical spine x-ray with fiszion and extension views, as well as a lumbosacral spine x-ray with obliques. I also recommended a left wrist splint for carpal tunnel symptomatologies. I have initiated chiropractic and rehab therapy at times times a week for four weeks with no active correction, and his program will include:

- 1) Hot packs and inferential current to the cervical, trapezius, as well as the lumbosacral spine region.
- 2) Myofascial release to the affected areas.
- Cervical and humbosacral spine stabilization program.
- 4) Trial of McKenzie's program for the cervical and lumbosacral spine
- 5) Reviewing all of his home exercises.

He states he recently got a prescription for hydrocodone from your office with apparently one years worth of refills, and, therefore, I will not be giving him a prescription for hydrocodone. I will hold off on a nonsieroidal anti-inflammatory, as well as a muscle relaxant, in view of his GI complaints. He is anxious and depressed, and I have referred him back to Dr. Irene Fisher for that. A formal followup has been scheduled in four weeks. I have instructed him to avoid repetitive motion of his wrist and will monitor that sinction as far as his carpal tunnel symptomatologies are concerned. Further recommendations will be made in followup in four weeks, and he will be seeing you on a regular basis for all of his general medical needs.

Thank you for allowing me to participate in the care of your patient. If he has any progressive problems, he will be seeing me sooner than the four weeks.

RLB/MEW R/17/04

EXHIBIT C

Daiton & Associates, P.A.

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalton Laura J. Simon

August 12, 2005

bdalton@b-dpa.com lsimon@b-dpa.com

MaryBeth Carter **GEICO** One GEICO Blvd. Fredericksburg, VA 22412-0002

- RE:

Your Insured: Kerry Johnson Our Client: Kerry Johnson Claim No.: 0232413390101017 Date of accident: July 16, 2004

Dear Ms. Carter:

Enclosed please find a statement from Family Practice Associates for services rendered on 7/21/05 totaling \$42.00, along with the office note. Please pay this amount under PIP at your earliest convenience and send me confirmation of payment.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Dalton & Associates, P.A.

US/jh **Endosure**

cc: Kasey Furrow, GEICO Claims

Claim No.: 017022343-0101-016

Dalton & Associates, P.A.

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalton Laura J. Simon

May 3, 2005

bdallon@b-dpa.com lsimon@b-dpa.com

MaryBeth Carter GEICO One GEICO Bivd. Fredericksburg, VA 22412-0002

RE:

Your Insured: Kerry Johnson
Our Client: Kerry Johnson
Claim No.: 0232413390101017
Date of accident: July 16, 2004

Dear Ms. Carter:

Enclosed please find medical records from Rehabilitation Associates for services rendered on 9/17/04 through 10/12/04, along with their billing statements totaling \$1,489.85. Please pay this amount directly to the provider under PIP at your earliest convenience and send me confirmation of payment.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Laura J. Simon

Dalton & Associates, P.A.

Zaura g. Semon/ly

US/bj Endosure

cc: Kasey Furrow, GEICO Claims

Claim No.: 017022343-0101-016

Lulton & Associates, F.A.

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalton Laura J. Simon

March 23, 2005

bdalton@b-dpa.com lsimon@b-dpa.com

Jim Moseler GEICO One GEICO Blvd. Fredericksburg, VA 22412-0002

RE: Your Insured: Kerry Johnson
Our Client: Kerry Johnson

Claim No.: 0232413390101017 Date of accident: July 16, 2004

Dear Mr. Moseler:

Enclosed please find medical records from Delaware Neurosurgical Group in regard to Kerry Johnson.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Laura J. Simoń

Dalton & Associates, P.A.

LJS/bj Enclosure

Lalton & Associates, P.A.

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalton Laura J. Simon

March 22, 2005

bdalion@b-dpa.com lsimon@b-dpa.com

MaryBeth Carter GEICO One GEICO Blvd. Fredericksburg, VA 22412-0002

RE:

Your Insured: Kerry Johnson
Our Client: Kerry Johnson
Claim No.: 0232413390101017
Date of accident: July 16, 2004

Dear Ms. Carter:

Enclosed please find a statement from Family Practice Associates for services rendered on 3/11/05 totaling \$55.00, along with the office note. Please pay this amount under PIP at your earliest convenience and send me confirmation of payment.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Laura J. Simon

Daiton & Associates, P.A.

LJS/bj Enciosure

cc: Kasey Furrow, GEICO Claims

Claim No.: 017022343-0101-016

C 'ton & Associates, P

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalton Laura J. Simon

November 22, 2004

bdalion@b-dpa.com Isimon@b-dpa.com

Jim Moseler GEICO One GEICO Blvd. Fredericksburg, VA 22412-0002

Your Insured: Kerry Johnson RE:

Our Client: Kerry Johnson Claim No.: 0232413390101017 Date of accident: July 16, 2004

Dear Mr. Moseler:

Enclosed please find a statement from Family Practice Associates in regard to Kerry Johnson for services rendered on 11/11/04 totaling \$55.00, along with the office note.

Please pay this amount directly to the provider under PIP at your earliest convenience and send me confirmation of payment.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Dalton & Associates, P.A.

US/bj Endosure

cc: Amy L. Violette, GEICO, Claim No.: 017022343-0101-016

EXHIBIT D

Dulton & Associates, P.4.

Attorneys at Law Cool Spring Meeting House 1106 West Tenth Street Wilmington, DE 19806

> (302) 652-2050 Fax (302) 652-0687

Bartholomew J. Dalion Laura J. Simon

December 9, 2004

bdalton@b-dpa.com lsimon@b-dpa.com

Jennifer Harper GEICO One GEICO Blvd. Fredericksburg, VA 22412-0002

RE:

Your Insured: Kerry Johnson Our Client: Kerry Johnson Claim No.: 0232413390101017 Date of accident: July 16, 2004

Dear Ms. Harper:

Enclosed please find the completed authorizations of Kerry Johnson.

If you have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

Barbara Jones Secretary to

Laura J. Simon

/bj Enclosure

MEDICAL PROVIDER LIST

CLAIM NUMBER: 0170223430101016
PERV JAHAS OF
SOCIAL SECURITY NUMBER OF PATIENT: 221-42-7246
SOCIAL SECURITY NUMBER OF PATIENT:
DATE OF BIRTH: 5/12/54
List below the names and addresses of all persons (doctors, surgeons, dentists, ambulance/emergency transportation operators, physical therapists, chiroprictors, hospitals, massing care facilities, funeral directors, transportation operators, physical therapists, chiroprictors, hospitals, massing care facilities, funeral directors, etc.) who: (1) rendered or who are rendering services in connection with injuries sustained in the subject eccident and the amount of bills, if known; and/or (2) rendered services during the time period from five (5) years prior to the subject accident to the current time, and the amount of bills, if known:
NAME AND ADDRESS
JOHN J. MARRE, DD. VECKEOUN
1100 S. Broom St.
11083. UCU.
WILMINGTON DE 1980S
BARRY BAKST, D.O.
700 Lea BLUA.
WILM, wg to N, DE
IF ADDITIONAL SPACE IS NEEDED, PLEASE USE THE REVERSE OF THIS PAGE.
Are any of the expenses claimed herein covered by Blue Cross or other insurance group plan, government policy or plan, or other insurance policy? [Answer "yes" or "no"] (If "yes," then please give details on the reverse side of this form and indicate if you have collected or are making claim for any of these expenses.)
This form only seeks information. Your providing the requested information will speed-up the processing of your claim by allowing GEICO to request medical information directly from your doctor. The signing of this form is not a release of your claim so please do not delay returning this form.
Signature of the patient, the patient's guardian, or the personal representative of the patient:
Kerry W Johaison 12-08-04 SKENATURE PRINTED NAME DATE

YAKOU KOYFMAN, M.D. MEDICAL ARTS PAOILIAN NEWARK, OF 19713

FRONE FISHER, PSy.D.

ST BMEGA DR.

NOVARIL, DE 19713

01 122 343 610106 Chim No.: [PATIENT: FILL IN TOUR CLAIM NUMBER]

HIPAA COMPLIANT AUTHORIZATION TO OBTAIN MEDICAL RECORDS

(Provider Name)
To: (Provider Address)
For purposes of evaluating a claim made by me and/or preparing and conducting a trial on the issues concerning a claim, you are hereby authorized to furnish to Government Employees Insurance Company, GEICO Indemnity Company, GEICO Casality Company, GEICO General Insurance Company, GEICO Indemnity Company, GEICO") any and Company, or any of its representatives (individually and collectively referred to as "GEICO") any and all medical information which may be requested concerning my physical and/or mental condition and imaginate information which may be requested concerning my physical and/or mental condition and treatment (excluding "psychotherapy notes" as defined in 45 CFR 164.501) therefore, diagnosis, treatment (excluding "psychotherapy notes" as defined in 45 CFR 164.501) therefore, diagnosis, treatment (excluding psychotherapy notes" as defined in 45 CFR 164.501) therefore, diagnosis, and any and all recessor, files, or other documentation concerning the treatment, programment to as the "Records") that pertain to:
PATIENT: PRINT YOUR NAME ABOVE
PATIENT: WRITE YOUR BIRTH DATE ABOVE
SSN: 2知-リンフシント PATIENT: WRITE YOUR SOCIAL SECURITY NUMBER ABOVE
The Records covered by this HIPAA Compliant Authorization cover the time period beginning five (5) years prior to the date of last treatment through [PATIENT: beginning five (5) years prior to the date of last treatment through [PATIENT: beginning five (5) years prior to the date of last treatment, and up to and the date of last treatment, and up to and the date of Provider's compliance with this HIPAA Compliant Authorization.
The Records shall specifically include, but shall not be infinited it, such of [PATIENT: treatment as may pertain to the automobile accident/loss/claim of [PATIENT: INDICATE THE DATE OF THE AUTOMOBILE ACCIDENT/LOSS/CLAIM IN INDICATE THE DATE OF THE AUTOMOBILE ACCIDENT/LOSS/CLAIM INDICATE THE AUTOMOBILE ACCIDENT/LOSS/CLAIM INDICATE THE AUTOMOBILE ACCIDENT/LOSS/CLAIM INDICATE THE AUTOMOBILE
THE FOLLOWING SPACES The information covered by this HIPAA Compliant Anthonization includes, but is not limited to, The information covered by this HIPAA Compliant Anthonization includes, but is not limited to, The information covered by this HIPAA compliant Anthonization includes in your possession or The information relating to the Records may include information relating to

svalable to you. I understand that the information in the Records may include information relating to sexually transmitted disease, Acquired humanodeficiancy Syndroms (AIDS), Human humanodeficiancy Virus (HIV) and other crammanicable diseases, behavioral health care-psychiatric care (excluding psychotherapy notes as defined in 45 CFR 164.501), and treatment for alcohol and/or drug abuse, "psychotherapy notes as defined in 45 CFR 164.501), and treatment for alcohol and/or drug abuse, information is being requested for the purpose of evaluating a claim made by me and/or preparing and information is being requested for the purpose of evaluating a claim made by me and/or preparing and information of the claim. This is not a release of claims for damages. I further understand that I am duration of the claim. This is not a release of claims for damages. I further understand that I am duration of the claim. This is not a release of claims for damages. I further understand that I am discussed to a copy of this Authorization and acknowledge receipt by signing below. I acknowledge that estiment and information disclosed pursuant to this Authorization may be re-disclosed by GHICO pursuant to the information disclosed pursuant to this Applicable law and may no longer be protected by the Health Insurance Portability and Accountability applicable law and may no longer be protected by the Health Insurance Portability and Accountability applicable law and may no longer be protected by the Health Insurance Portability and Accountability applicable law and may no longer be protected by the Health Insurance Portability and Accountability applicable law and may no longer to further re-disclose the records received pursuant to this Act (HIPAA). I also antionize GHICO to further re-disclose the records received pursuant to this Act (HIPAA). I also antionize (HICO to further re-disclose the records received pursuant to this Act (HIPAA). Believed Insurance (HICO) and other re-disclose the records received pursuant to this Act (HIPAA). reports, records, test results, X-rays, and any outer diagnosis described information relating to available to you I understand that the information in the Records may include information relating to available to you I understand that the information in the Records may include information relating to

Case 1:06-cv-00408-JJF Document 45-7 Filed 01/11/2008 Page 10 of 10

AUTHORIZATION TO OBTAIN LEAVE AND SALARY INFORMATION

hereby anthonize Leave and salary information available to and in the company, through its employer, concerning or in any way relating to time or salary less relating to an injury or injuries received by concerning or in any way relating to time or salary less relating to an injury or injuries received by in an accident that occurred on
Relationship, if not the injured party

MEMBER NATIONAL INSURANCE CRIME BUREAU

-176 (07-01) NS

EXHIBIT E

EXPLANATION OF BENEFITS SUBMITTED TO G.E.I.C.O. INSURANCE

Page

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Provider:510110646-04

METROLOGY ASSOCIATES PA

774 CERISTIES ED SUITE 1

PEREN, DE 19713

Bill ID:2005012512262951DRE 00

Claim: 023241339-017

BSE: 221427246

Claimat: REPRY JOHNSON

Injured: 07-16-2004

· Payee:510110646-01

MEUROLOGY ASSOCIATES PA 1228 N SCOTT STREET EDADESCE, DE 19806

Insured: DE

DELAMARE

Cc: Went

Adjustor-D:

ICD9:723.4 BRACHTAL MEURITIS NOS

ICD9:724.4 TEORACIC LIMBOSACRAL MEURITIS MOS

ICD9:724.	4 TEDEACIC INC.	•	•		. E	سم ہے دا حصص
# ************************************		<u> Zođ</u> e	Charge	Reduction	Allowance	RADECOE
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11-17-04	Totals		1376.00	10.00	1366.00	

** Reduction Explanations:

RC 40 The charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic

THE ABOVE EXPLANATION OF BEHIRFIT REFLECTS OUR INITIAL RE-VIEW OF THE PROVIDER'S CHARGES AS SUBMITTED. IF FURTHER RE-EVALUATION IS REQUESTED, THE PROVIDER SHOULD SEED US ADDITIONAL INFORMATION TO RE-EVALUATE OUR DETERMINATION USING THE FOLLOWING CRITERIA:

RC 40 PE-EVALUATION CRITERIA: SUMMIT MEDICAL RECORDS SO THAT WE MAY DETERMINE IF THE APPROPRIATE CPT CODE WAS USED TO DESCRIBE THE SERVICES PROVIDED. IF THE APPROPRIATE CPT CODE WAS USED, WE WILL COMPARE THE PAYMENT MADE TO YOU WITH AMOUNTS CHARGED BY PROVIDERS OF THE SAME TYPE IN THE SUR-ROUNDING GEOGRAPHIC AREA TO DETERMINE IF AN ADJUSTMENT IS APPROPRIATE.

CORRESPONDENCE SHOULD BE SERT TO:

	GEICO DIRECT		- a s s A
	CETCO BLVD, FRED	ERICKSBURG, VA	CODE
	PROME 1-800-841-1003		
PAYMENT	SERT TO:PATIENT	ATTORNEY	

EXHIBIT F

EXPLANATION OF BENEFITS SUBM TED TO G.E.I.C.O. INSURANCE Bill ID:2004092810014304DEE 00

Page

1

:rovider:510329923-12

PEHABILITATION ASSOC (ND/DO)

CARCA PROFESSIONAL CER

STB CAREA DELYE MEMPE, DE 19711 Claiment: KERY DERSON Injured: 07-16-2004

Claim: 023241339-017

BEE: 221427246

Payee: 510329923-02

PERABULIPATION ASSOC 2600 GLASSON AVE #210

MEMBRE, DE 19702

Insured:DE

DELAMARIE

kijuster-ID:

CD9:723.1 CERVICALETA

CD9:724.2 LDB160

CD9:846.0 SPRATE LUMBOSACRAL

CDA: 944		kođs'	Charge	Reduction	Allowance Reasons
Date 8-23-04 8-23-04 8-23-04 8-25-04 8-25-04	97110 EXERCISES 97014 STIMILATION 97010 BOT COLD PACKS 97110 EXERCISES 97014 STIMILATION		67.00 67.00 38.00 20.00 67.00 38.00 20.00	14.69 1.00 .00 14.69 1.00	52.31 40 37.00 40 20.00 52.31 40 37.00 40 20.00
	TOTALS				•

** Reduction Explanations:

RC 40 The charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic area.

THE ABOVE EXPLANATION OF BENEFIT REFLECTS OUR TEITLAL RE-THE OF THE PROVIDER'S CHARGES AS SUBMITTED. IF FURTHER UE-EVALUATION IS PRODUSTED, THE PROVIDER SECULD SEED US DDITICSAL DEFORMATION TO RE-EVALUATE OUR DEFENDATION ISING THE FOLLOWING CRITERIA: .

*C 40 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO THE WE MAY DETERMINE IF THE APPROPRIATE CPT CODE WAS USED O DESCRIBE THE SERVICES PROVIDED. IF THE APPROPRIATE CFT ODE WAS USED, WE WILL COMPARE THE PAYMENT MADE TO YOU WITH MODETS CHARGED BY PROVIDERS OF THE SAME TYPE IN THE SUR-COUNDING GEOGRAPHIC AREA TO DETERMINE IF AN ADJUSTMENT IS PPROPRIATE.

CORPLEDOMDENCE SHOULD BE SENT TO:

GEICO DIRECT

ansq francino haunifuci

TELEGRATION OF RESERVITS SURV TED TO G.E.I.C.O. INSURANCE

Page

:=ovider:510329923-12

REFARILITATION ASSOC (ND/DO)

CAREA PROFESSIONAL CIR.

878 CARCA DELVE

DESARK, DE 19711

Payee: 510329923-02

PERSONAL ASSOC

2600 GLABSON AVE \$210

DEREK, DE 19702

Bill ID:2004092810014304DEE 00

Claim: 023241339-017

BBE: 221427245

Claimant: KERRY JOHNSON.

Injured: 07-16-2004

Insured: DE

DELAVELEE

wijustor-D:

CHE GEICO BLVD, FREDERICKSBURG, VA 22412 PECHE 1-800-841-1003 EXT____ ADJ CODE_

BBOATDER PATIENT SEET TO: PATIENT ATTORNEY

EXPLANATION OF BENEFITS SUBSTITED TO G.E.I.C.O. INSURANCE

Page

1

Provider: 510329923-17

PERABULITATION ASSOC (DC)

87B CALCAL DRIVE MEDER, DE 19711 Bill ID:2004091615151325ECW 00 Claim: 023241339-017

SSE: 221427246

Claimant: KENT JOHNSON Injured: 07-16-2004

Payee: 510329923-02

PERMITTATION ASSOC 2600 GLASCOW AVE \$210 METAPK, DE 19702

Insured:DE

DELAMARIE

Adjustor-ID:

ICD9:724.2 LUMBAGO

ICD9:723.1 CERVICALGIA
ICD9:739.1 NOBALLOPATRIC LESION CERVICAL PERIODAL

ICD9:784.0 HEADACHE

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		d about	erge	Reduction	Allownee	Personis
08-09-04 08-09-04 .08-13-04 08-13-04	99212 SUBSEQUEST VISIT 98940 MANIPULATION		1.00 20.00 20.00 2.00	.00 30.00 2.00	31.00 20.00 60.00 60.00	40
08-16-04	gesto made of the second secon		55.00	34.00	231.00	·

** Reduction Explanations:

RC 40 The charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic aren.

THE ABOVE EXPLANATION OF BENEFIT PEFFECTS OUR INITIAL PE-VIEW OF THE PROVIDER'S CHARGES AS SUBSTITED. IF FUETHER PE-EVALUATION IS REQUESTED, THE PROVIDER SHOULD SEND US ADDITIONAL DEFORMATION TO PE-EVALUATE OUR DEFERRISATION VELEG THE FOLLOWING CRITERIA:

RC 40 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO THAT WE MAY DETERMINE IF THE APPROPRIATE CPT CODE WAS USED TO DESCRIBE THE SERVICES PROVIDED. IF THE APPROPRIATE CPT CODE WAS USED, WE WILL COMPARE THE PAYMENT MADE TO YOU WITH AMOUNTS CHARGED BY PROVIDERS OF THE SAME TYPE IN THE SUR-ROUNDING GEOGRAPHIC AREA TO DETERMINE IF AN ADJUSTMENT IS APPROPRIATE.

COPPESPONDENCE SHOULD BE SERT TO:

CHE GEICO BLVD, FREDERICKSBURG, VA 22412 GEICO DIRECT

Continued on next page

EXPLINATION OF RESERVES SUBMITTED TO G.E.I.C.O. INSURANCE

Page 2

Provider: 510329923-17

PERRILITATION ASSOC (DC)

878 CHEEN DRIVE

Bill ID:2004091615151325ECW 00

Claim: 023241339-017

SSM: 221427246

Claimat: LPTY JOHN CE

Injured: 07-16-2004

Insured: DE

DELAWARE

Peyee:510329923-02
PENANTATION ASSOC
2600 GLASGON AVE \$210
MEMAN, DE 19702

PAYMENT SENT TO: PATTERT

Mjustor-ID:

PROME 1-800-941-1003

EXT____ ADJ CODI

ATTORNEY

PROVIDER

EXPLIBATION OF RESERVED SUBMITED TO G.E.I.C.O. DESURANCE

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1

Provider: 510329923-17

PEHABILIPATION ASSOC (DC)

878 CHESA DRIVE BEARK, DE 19711 Bill ID:2004092810001273DRE 00

Claim: 023241339-017 BEN: 221427246

Claimant: KERY JOHESCH Injured: 07-16-2004

Insured: DE

THELAMARE

Payee: 510329923-02

REHABILITATION ASSOC 2600 GIABGON AVE \$210 MEMBER, DE 19702

Mistor ID:

ICD9:724.2 LDELEO

ICD9:723.1 CERVICALSTA

ICD9:739.1 BORRILOPATRIC LESION CERVICAL RESIDERL

ICD9:784.0 BEADACHE

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	Totals	· ·	•				

** Reduction Explanations:

RC 40 The charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic araa.

THE ABOVE EXPLANATION OF BENEFIT REFLECTS OUR INITIAL RE-VIEW OF THE PROVIDER'S CHARGES AS SUBMITTED. IF FURTHER ZE-EVALUATION IS REQUESTED, THE PROVIDER SECULD SEED US ADDITIONAL DEFORMATION TO RE-EVALUATE OUR DETERMINATION ISING THE FOLLOWING CRITERIA:

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CORRESPONDENCE SHOULD BE SENT TO:

CEICO DIRECT CHE GEICO BLVD, FREDERICKSBURG, VA 22412 PHONE 1-800-841-1003 EXT____ADJ CODE_ PAYMENT SENT TO: ____PATIENT ____ATTOPHEY ____PROVIDER EXPLANATION OF REMEFITS SUBMITTED TO G.E.I.C.O. INSURANCE

Page

Provider: 510329923-12

PENASILITATION ASSOC (MD/DO)

CHECA PROFESSIONAL CTR

87B CAREA DRIVE

MEAN, DE 19711

Bill ID:2004091615170154ECW 00

Claim: 023241339-017

ESE: 221427246

Claimet: DEFE JUNEON

Injured: 07-16-2004

Insured:DE

DELAHARE

Payes: 510329923-02

PEABILITATION ASSOC

2500 GLASSON AVE \$210 BEART, DE 19702

Adjustor-ID:

ICD9:723.1 CERVICALEIA

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ICD9:846.0 SPRATE LIMBOSACEAL

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ee Reduction Explanations:

RC 40 The charge for the services exceeds an emount which would appear reasonable when compared to the . charges of other providers in the same geographic

RC 43 The procedure billed exceeds the level of service required by the diagnosis given or the condition for which this patient is being treated.

THE ABOVE EXPLANATION OF REMETIT REFLECTS OUR INITIAL PE-VIEW OF THE PROVIDER'S CHARGES AS SUMMITTED. IF FURTHER RE-EVALUATION IS REQUESTED, THE PROVIDER SHOULD SEND US ADDITIONAL INFORMATION TO RE-EVALUATE OUR DETERMINATION USING THE FOLLOWING CRITERIA:

RC 40 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO THAT WE MAY DETERMINE IF THE APPROPRIATE CPT CODE WAS USED

Continued on next page



EXPLICATION OF BENEFITS SUBSTITUTED TO G.E.I.C.O. IMSURINCE Bill ID:2004091615170154ECW 00

Page

Provider: 510329923-12

REHABILITATION ASSOC (MD/DO) OMER PROFESIONAL CTR

878 CHECK DELVE MERRE, DE 19711

Claim: 023241339-017 SSE: 221427246 Claimant: DERY JOHESON Injured: 07-16-2004

Payes: 510329923-02 PERABULITATION ASSOC 2600 GLASCON AVE \$210 HEARK, DE 19702

Insured:DE DELAMARE

Adjustor-ID:

TO DESCRIBE THE SERVICES PROVIDED. IF THE APPROPRIATE CPT CODE WAS USED, WE WILL COMPARE THE PAYMENT MADE TO YOU WITH AMOUNTS CHARGED BY PROVIDERS OF THE SAME TYPE IN THE SUR-POURDING GEOGRAPHIC APEA TO DETERMINE IF AN ADJUSTMENT IS APPROPRIATE.

EC 43 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO THAT WE MAY COMPARE THE INFORMATION IN THE MEDICAL RECORDS WITH THE CPT CODE NAMEDAL PROPULPMENTS RECARDING THE LEVEL OF SERVICE PROVIDED BY YOU TO THE PATIENT. IN MALIES THIS DETERMINATION, HE WILL COMPLEX THE COMPLEXITY OF THE STATED DIAGROSIS AND TREATMENT PLAN TO INSURE THAT THE PAYMENT . ALLOWANCE REFLECTS THE LEVEL OF SERVICE PROVIDED BY YOU TO THE PATIENT.

COFFESPONDENCE SHOULD BE SENT TO:

•	080	e Gee	DIRECT ICO BLVD, 1-800-841-	1003 [.]	RICKSBURG,	adj adj	7		
PAYMENT	SENT	TO:	PATI	EIT	ATTOR	•	V	PROVI	DER

DIPLAMATION OF BENEFITS SURA TED TO G.E.I.C.O. INSURANCE

Bill ID:2004102111284094DRE 00 Claim:023241339-017 1

Page

?rovider:510329923-12 .

REHABILITATION ASSOC (MD/DO)

CARCA PROFESSIONAL CTR

878 CMEGA DEIVE BESARK, DE 19713 SEE: 221427246 Claiment: TERRY JOHESON

Injured: 07-16-2004

Payee: 510329923-02

PERABILITATION ASSOC 2600 GLASGON AVE #210 MEMARK, DE 19702 Inswed: DE

OT AVE \$210

Mjuster-D:

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	Totals					

** Reduction Explanations:

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RC 40 The charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic area.

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IC 40 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO HAT WE MAY DETERMINE IF THE APPROPRIATE CPT CODE WAS USED TO DESCRIBE THE SERVICES PROVIDED. IF THE APPROPRIATE CPT CODE WAS USED, WE WILL COMPARE THE PAYMENT MADE TO YOU WITH MOUNTS CHARGED BY PROVIDERS OF THE SAME TYPE IN THE SUR-COUNDING GEOGRAPHIC AREA TO DETERMINE IF AN ADJUSTMENT IS UPPROPRIATE.

STELLMATION OF BENEFITS SUB- TED TO G.E.I.C.O. INSURANT

Page

2

::ovider:510329923-12

PEHABILITATION ASSOC (MD/DO)

CHECA PROFESSIONAL CER

878 CAECA DELYE.

MEMBER, DE 19713

Payee:510329923-02

PERBIT. IPATION ASSOC 2600 GLASSON AVE \$210

MEMBER, DE 19702

Bill ID:2004102111284094DRE 00

Claim: 023241339-017

550:221427246

Claimant: KETTY FORESS

Injured: 07-16-2004

Insured: DE

DELAMARE

년justor-D:

DEFESPORDERCE SECOLD BE SEET TO:

OHE GEICO ELVD, FREDERICKSBURG, VA-22412

PECSE 1-800-841-1003 EXT____ EDJ CODE

PROVIDER PATHEET SERT TO: PATIENT ATTORNEY

EXHIBIT G



Government Employees Insurance Company GEICO General Insurance Company GEICO Indianally Company

GEICO Casnalty Company

One GERCO Blvd. | Fredericksburg, VA 22412-0001

September 20, 2004

MR KERRY W JOHNSON 1007 MISTOVER LN NEWARK, DE 19713-3346

CLAIM NUMBER: 023241339-017

DATE OF LOSS:

07/16/04

Dear Mr Johnson:

One of GEICO's obligations is to assure medical benefits paid on your behalf accurately reflect services provided and reasonable reimbursement for those services. As we explained in our initial letter to you, medical bills are reviewed to determine if the charges for treatment are reasonable (usual and prevailing) for the geographical area in which the treatment was rendered. Only those charges for services determined medically necessary will be considered.

We have reviewed the bills and our findings are enclosed for your information. Any subsequent bills will be reviewed in the same manner. If further consideration is requested, we would require a written response from your provider(s) within 30 days. Additionally, should you receive a bill for the balance of a payment benefit, please send it to us for handling.

Should you have any additional questions regarding your claim, please contact your adjuster, J Moseler, et 1-809-841-1003, extension 4661.

Sincerely,

Claims Department

EXHIBIT H

Delaware Recovery Systems, Inc. Glasgow Medical Center 2600 Glasgow Avenue Suite #205 Newark, Delaware 19702 Phone (302) 832-3369 Fax (302) 832-5854



Date: 03/31/05 RK: Johnson, Kerry Account #:10198

Dear: Attorney,

This is in reference to our above named patient/your client. Unfortunately, the patient's insurance carrier is denying our claims for services we rendered to the patient.

As this is a personal injury/workmans compensation case, we do not want to bill the patient directly, however, at this time we must protect the physician's interests. Therefore, we must obtain a letter of protection from your office. Upon receipt of your letter we will waive payment until the settlement of the case. If your client will not authorize you to protect this balance due, kindly notify our office so we may take appropriate action to collect the balance.

We have enclosed a copy of the patient's account balance for your review. Thank you in advance for your attention to this matter.

sincerely,

Connie Salvatelli

Delaware Recovery Systems, Inc.

Enclosure

This is an attempt to collect a debt by a debt collector. Any information obtained will be used for that purpose.

EXHIBIT I

HAL KRAHER, H.D. SCOTT SCHAEFFER, H.D. ANNE E. ARCHBALD, N.P.-C., H.S.N. JENNY L. HUGHES, N.P.-C., M.S.N.

STONEY BATTER FAMILY MEDICINE ASSOCIATES, P.A.

November 14, 2005

RE: Sharon Anderson DOA: August 3, 2004.

Dear Mr. Simon,

I'm providing this letter at your request to describe treatment for which Ms. Anderson received as a result of a motor vehicle accident on August 3, 2004.

The patient first presented for evaluation of injuries sustained from this car accident on August 5, 2004. At that time, the patient described the accident as a year end collision where she did not sustain any head trauma, or loss of consciousness. At that time she complained of significant headache which was throbbing in nature. Patient also complained of a whiplash type injury consisting of posterior neck muscle pain. There were no other associated neurological symptoms which could have suggested a peripheral neuropathy. The patient also complained of low back pain which was of equal intensity bilaterally, also with no association of neurological symptoms. Her exam at that time was only significant for tenderness of the back and neck muscles. A CAT scan of the head was ordered to rule out any intracranial injury, and medication was prescribed with simple instructions for home exercises and stretches. The patient was instructed to return in approximately two weeks if symptoms did not resolve. Unfortunately, the CAT scan of the head was not completed.

Patient was next seen on June 13, 2005 for re-evaluation of her neck and lumbar strain which at this point had become chronic. Patient did not make any contact with my office regarding the injuries sustained during this motor vehicle accident in the time between the March 5, 2004 office visit, and the June 13, 2005 office visit. During this June 2005 office visit, the patient states that she did have an exacerbation of the neck and back pain without any specific cause. As indicated in the progress notes, patient did miss work because of neck and back pain during several days in September, October, and April of 2005. During this June 13, 2005 office visit, the patient was again prescribed muscle relaxants and anti-inflammatories, and was also referred to physical therapy for evaluation and treatment. Patient was initially evaluated by the physical therapist on July 19, 2005, and was discharged from treatment on October 27, 2005 after it was determined that physical therapy treatment would not benefit the patient any further. Patient was instructed on a home exercise program, and educated on proper posture to minimize symptoms: Before the patient was finally discharged from physical therapy, patient did have a final office visit on October 10, 2005, at which time it was agreed that the patient would not benefit from further physical therapy and she was left with mild neck and low back pain which may be exacerbated from time to time.

Hal Kramer, M.D. Beott Schaeffer, M.D. Anne e. Archbald, N.P.-C., M.S.N. Jenny L. Hugheb, N.P.-C., M.B.N.

STONEY BATTER FAMILY MEDICINE ASSOCIATES, P.A.

It is also important to note the patient does have a history of low back pain for which the patient was seen several times in 2002. Patient was also referred to a back specialist who referred her at that time to physical therapy and prescribed ibuprofea. Patient had been relatively stable with her low back pain until it was exacerbated during the accident on August 3, 2004. It is within reasonable medical probability that the accident which occurred on August 3, 2004 did exacerbate her low back pain condition. However, correctly, the patient has minimal discomfort. Patient has full range of motion, full functionality, and is able to engage in her activities of daily living without difficulty. The patient's prognosis is good, and it can be believed the patient will have permanent problems with exacerbations of back and neck pain from time to time depending on physical activity. At this time, the patient has no disabilities, but the patient was advised not to engage in any heavy manual labor which would require heavy lifting. Also, it is estimated that there is no anticipated future treatment which is planned as a result of this August 3, 2004 accident. It may be determined with reasonable medical probability that the accident of August 3, 2004 exacerbated a previous low back pain condition and ultimately womened her condition by approximately 10%.

I hope this narrative has been helpful, please contact my office if any further information is required at (302) 234-9109.

Sincerely,

÷

Horatio C. Jones, III, MD

EXHIBIT J

Statement Details

Page 1 09/06/2005 302-234-2000

Starry Batter Family Medicine 5301 Lineatone Rd. \$222 Wilmington, DE 19808

Fed Tex ID No.:

51 0339390

For patient :

SHARON ANDERSON

216 NORTH CONNELL STREET

WILMINGTON, DE 19805

		WILLIAM TOTAL		•			2 2 2 2 2	Patient	Relimes
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			· .	BIT				· SJIAU	
6	03/29/200	5 INS. Pat Resp. for this hill							

SERVICE STATEMENT

Stoney Batter Family Medicine 5301 Limestone Rd. #222 Wilmington, DE 19808 99/06/2005 302-234-2080

Fed. Tax ID No.:

51 0339390

* Make checks payable to Stoney Batter Family Medicine *

** Please return this page with your payment **

** Details of the bill are on the following pages ***

To : SHAROF ARDERSON : (AMER-N) 216 ENTTE COMMENT. STREET WILDLING DE 19805

Palanca shown is patient's responsibility.
Planca remit payment upon receipt of bill : \$ 31.00

THANK YOU

EXHIBIT K

IPLANTICE OF BENEFITS SUPPLIFIED TO G.E.I.C.O. INSURANCE

Bill ID:2005083115095122ECW 00

1

Page

Claim: 014124013-027 Tovidar: 510251928-06

PRO PRISICAL TREPAPY SEE: 221520746

100 APPLEA CERTES DE Claimant: STARCE ANDERSON ELLEGATOR, DE 1980B Injured: 08-03-2004

Insured: DE Zayee: 510251928-01 DELAMARE

PRO PRIBICAL THERAPY 1812 MARSE ED, STE 505 ELLEGICE, DE 19810

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:D):728.85 SPACE OF MISCLE

CD9:847.0 MECK SPRAIM

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7-21-05	07770	ELECTERS		35.00	35.00	.00 51
7-21-05	9/LLU	STIMILATION		30.00	30.00	.00 51 .
7-21-05	57010	BOT COLD PACES		50.00	.00	50.00
7-21-05	9/ULU	ACTIVITIES	59	50.00	.00	50.00
7-25-05	5/33V	EXECUSES		50.00	.00	50.00
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7-26-05	S S T U L C	STIMILATION		30.00	30.00	.00 51
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EPLANATION OF BENEFITS SUPMITTED TO G.E.I.C.O. INSURANCE

Bill ID:2005083115095122ECW 00

Page

Claim: 014124013-027

SSN: 221520746

Claimant: SHARON ANDERSON

Injured: 08-03-2004

Insured: DE

DET-AWARE

Payee: 510251928-01

Envider: 510251928-06

PRO PHISICAL TEXTAPY 1812 MARSH RD, STE 505 . WILMINGTON, DE 19810

PRO PRISICAL THERAPY.

100 VALLEY CENTER DR

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CD9:728.85 SPASM OF MISCLE

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* Reduction Explanations:

RC 51 The provider performed a physical medicine modelity that would provide no therapeutic benefit during the chronic period of the diagnosed conditions.

HE ABOVE EXPLANATION OF BENEFIT REFLECTS OUR INITIAL RE-TIEN OF THE PROVIDER'S CHARGES AS SUBMITTED. IF FURTHER CE-EVALUATION IS REQUESTED, THE PROVIDER SHOULD SEED US DDITIONAL INFORMATION TO RE-EVALUATE OUR DETERMINATION ISING THE FOLLOWING CRITERIA:

C 51 RE-EVALUATION CRITERIA: SUBMIT MEDICAL RECORDS SO HAT WE MAY DEFERANCE THE LENGTH OF ACUTE CARE BASED ON THE ATTENT'S ACE, DIAGNOSIS AND MEDICAL INTERVENTION. THE REDICAL PROCESS TO INCLUDE POSITIVE, SPECIFIC, ORDICAL LEDINGS TO INDICATE THE APPROPRIATE USE OF THE PHYSICAL REDICINE MODALITY, AS WELL AS A PROCESSION TO AN ACTIVE HERAPEUTIC EXERCISE PROGRAM WITH A DECREASE IN PASSIVE COMMITTEES. IF WE ARE UMABLE TO VALIDATE ORGOING ACUTE CARE DELIMINATE, WE MAY SEEK INDEPENDENT MEDICAL REVIEW.

CORRESPONDENCE SHOULD BE SEET TO:

	GEICO DIRECT CME GEICO BLVD, FRE PECHE 1-800-841-100	DERICKSEURG, VA :	. —
YMERT			

EXHIBIT L

Explanation of Review

Cleat

FREDERICKSBURG-DELAWARE-05 GECO-REDERINGBURG ONE GEICO BOLLEVARD FREDERICKSBURG, VA 22412 PHONE 200-841-1003

C== GE2-05DE-0001D10

Provide:

PRO PHYSICAL THERAPY 1812 MARSH BOAD SLETE 505 WILMINGTON, DE 19810

5102519200000000

DE

ANDERSON, SHARON 216 N CONNELL ST WILMINGTON, DE 198053635

Ter ID: Lies February III: 510251928

Type PT

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Date of Lass Policylabler: Pelley Reside: 014124013010102701

Pages 1

10-11-2005 XXX-XX-XXX CE-CB-2004

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Dr.S:

19-27-2005 to 09-29-2005 11-03-2005

Reviewer Clical Type of Bills

Pay Authorization:

Adjuste: 05F83 AdiCa: Da 1: 72885 SPASM OF MUSCLE

Elsie

File

D. CURRY 800-841-1005 est. 7853

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CORRESPONDENCE SHOULD BE SENT TO THE ABOVE ADDRESS AND ATTENTION OF: EXTENSION ADJUSTER CODE

GENCO - FREDERICKSBURG, ONE GENCO BOULEVARD, FREDERICKSBURG, VA 22412, PHONE: 800-841-1003

Explanation of Review

Proge 2

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Cient:

PEDERICKSBURG CTICO BOULEVARD ONEC FREDERICKSBURG, VA 22412 PHONE: 800-841-1003

Case GEZ-05DE-0001010

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PRO PHYSICAL THERAPY 1812 MARSH ROAD SLITE 515 WILMINGTON, DE 19810

ANDERSON, SHARON 216 N CONNELL ST WILMINGTON, DE 198053435

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09-27-2005 to 09-29-2005

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Client Type of Life

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ic Date

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11-03-2005

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DE CHARGO AND COME TO ASSES D. CURRY 05F83

FOR TOS BEV-/Proc. Code

Post Date FFO Retwerk PPO Chies 800-841-1003 cal. 7853

PARIFARE DE-

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Personal Property

Pey Astler bedies . Dz 3: B47.0 SPRAIN OF NECK

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Dates of Service

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Message

Line Date

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THE EXPLANATION OF KEYEN REPLECTS OUR DISTAL REVIEW OF THE PROVIDER SHOULD
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IDENTIFIED CRITERIA. SEE RE-EVALUATION CRITERIA BALLOSED.
PAYMENT SENT TO: ______ATTENT_____ATTORNEY______FROVIDER

Notes:

CORRESPONDENCE SHOULD BE SENT TO THE ABOVE ADDRESS AND ATTENTION OF: _EXTENSION_ ADJUSTER CODE

GEICO - FREDERICKSBURG, ONE GEICO BOULEVARD, FREDERICKSBURG, VA 22412, PHONE: 800-841-1003

HORAGE MODIFIER	RESVALUATION CRITERIA
204	Submit documentation to support the need for the disaltowed procedure in light of the fact that it was performed on the
436	Belond documentation that departs for many defines the reason or logic for reinhurcement of the leaser-valued sugions procedure.
262	jerith the cavice you provided or the materials you supplied. You may present an invoice from your durable madical supplied. You may present an invoice from your durable madical supplied.
220	Stand medical records confirming that, with respect to the vielt for which you based on the same day as the engine!
A 77	procedure, you provided a service man was unresenuted in the service. You substant manded the first the services. You
#777	ordation investment eventual with the modifier when you make multiple changes for the came CPT, code on the came day.
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	are not viewed as a commonant of trestmant with this disampsis and, therefore, are not relinualizable.
200	Submit downwait that supports and geenly delines his lives to the proventing and supplement to the
)07	certificated by the well will be a compared to the compared to
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705	provided records so that we may determine if the appropriate CPT code was used to describe the services provided, if the appropriate CPT code was used, we will compare the payment made to you with emounts charged by
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292	Starts medge records so that we may compare use mountains is use measured the contraction we will consider
	requentities regarding we take it service provides by four the first the payment ellowance reflects the layed of
A SEPTIMENT	service provided by you to the patient. S. J
	ourner, instance to the medical records must include positive, specific, objective findings to indicate the appropriate medical records must include positive, specific, objective findings to indicate the seconds must be noncessful an active therepould exercise program with a decrease in
	pserive modelities. If we are unable to validate ongoing cours gain, we may seek independent medical raylaw.
216	Sukmik medical records so that we may substantials the physical medicare procedures and increaves per uniformated records, we will look at the functional goals of treatment. The functional goals must be clearly
	fedore and their thempy. If we are unable to setablish madeal necessity, we may each indicanded indicant review.
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075545666 PLET MATE PASTPORE, CHARLES POLICY/CLAR RE SOVERNHENT FHPLOYEES INSU.ANCE DATE BELLED 0141240130101027 FSB3 75545666 12/13/05 COMPANY . CLABOUT ACCRECATE DATE SHARON ANDERSON OB/03/04 OL -Office - OHE SECO PLAZA S Visiting DC 2006 PEARLE / SERVICE ..05 P MPRÈNALL VIII 150.00 LP NBM -0251928 \$150.00 -O-Po DELLAS ONE-HUNDRED-FIFTY-PERSONAL INJURY PROTECTION R. 10/04/2005 - 10/04/2005 HORATIO JONES PO'-TO PRO PHYSICAL THERAPY ACCT# RAOSDEB79070 MENT E OF ER EOB r SHARDN ANDERSON DALTON & ASSOCIATES PA 1106 WEST TENTH STREET WILMINGTON, DE 19806

.TO:

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Exclanation of Review

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CORRESPONDENCE SHOULD BE SENT TO THE ABOVE ADDRESS AND ATTENTION OF:

ADJUSTER CODE_______EXTENSION_____

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204	Bubrni documentation to support the need for the disallowed procedure in light of the fact that it was performed on the esting date as encities procedure for which retributement was allowed.
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262	identity the cervice you provided or the materials you empited. You may present an trivoloe from your durable medical equipment examiner, and you will be reimburaed 160% of the wholesale gost.
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760	Submit documentation to demandate that these are not changes for educational supplies. Educational supplies are not Viewed as a commonant of treatment and therefore, are not reimbrashly.
761	Guinnii documentation elondus (he choumstances of the missed appointment. We will reimbures charges for a missed semointment code il van demonstrate estreme externation characterines.
762	Sukinit cocumantation to denionalize that these are not charges for vitamins or exponente. Vitamins and supplements are not viswed as a component of tractiment with this discipose and, therefore, are not reinfurgable.
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267	Butwith documentation that demonstrates that the datms examiner requested the special report as a supplement to the
229	sent were representation that dearly links the procedure to traums evelsined as a direct result of the sufomotive appident.
763	
784	
100	Submit medical records so that we may determine if the appropriate CPT code was used to describe the sarvices provided. If the appropriate CPT code was used, we will compare the payment made to you with amounts ohanged by provides of the same type in the eurounding geographic area to defermine if an adjustment is appropriate.
760	
707	Submit medical records so that we may determine the length of soute care based on the patient's age, diagnosis and medical intervention. The medical records must include positive, specific, objective findings to indicate the appropriate use of the physical modelly as well as a progression to an active therepeutic exercise program with a decrease in passive modellyles, if we are unable to validate oracle care, we may seek independent medical review.
216	Submit medical records so that we may substantiate the physical medicine procedures and modalities performed. In reviewing the medical records, we will look at the functional goals of treatment. The functional goals must be destry defined, easily recognized and based on a thorough evaluation of the patient. Evidence of improvement and the patient's response to treatment should confirm that the functional goals are being met. You must identify any underlying risk factors and their therapy. If we are unable to satebilish medical necessity, we may east britopandson medical review.
768	Submik the kwoloe you received for the chug or supply. We will reimbures 160% of the wholesele price of the drug or summy.

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FREDERICKSHIRG-DELAWARE-05 GECO-REDERICKSBURG ONE GEICO BOLLEVARD FREDERICKSEURG, VA 22412 PHONE 800-841-1003

Care GEZ-0575-0001623

Provider. PRO PHYSICAL THERAPY 1812 MARSH ROAD STE 515 WEMDSTON, DE 19810

ANDERSON, SHARON 216 H CONNELL ST WELMINGTON, DE 198053635

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10-06-2005 to 10-12-2005 12-09-2005

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D. CURRY

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CORRESPONDENCE SHOULD BE SENT TO THE ABOVE ADDRESS AND ATTENTION OF: ECTENSION_ ADJUSTER CODE_

CENTO - FREDERICKSBURG, ONE GESCO BOULEVARD, FREDERICKSBURG, VA 22412, PHONE: 800-841-1003

Explanation of Review

Page 2

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CORRESPONDENCE SHOULD BE SENT TO THE ABOVE ADDRESS AND ATTENTION OF: ADJUSTER CODE

GEICO - FREDERICKSBLING, ONE GEICO BOULEVARD, FREDERICKSBURG, VA 22412, PHONE: \$100-\$41-1003

Case 1:06-cv-00408-JJF	Document 45-11	Filed 01/11/2008	Page 6 of 10
Case 1.00-CV-00400-JJF	Document 45-11	FIIEU 0 1/ 1 1/2000	rage 0 01 10

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	766	Submit the invoice you received for the drug or emply. We will relimbures 160% of the wholesale price or the drug or entry.

EXHIBIT M

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[IN THE SUPERIOR COURT OF THE STATE OF DELAWARE IN AND FOR NEW CASTLE COUNTY] IN THE UNITED STATES DISTRICT COURT FOR THE STATE OF DELAWARE

KERRY JOHNSON and SHARON ANDERSON, on behalf of themselves and all others similarly situated, Plaintiffs,))))) C.A. No. <u>1:06-cv408 (IJF)</u>
GOVERNMENT EMPLOYEES INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, [and]-GEICO INDEMNITY COMPANY, CRITERION INSURANCE AGENCY, INC., and COLONIAL COUNTY MUTUAL INSURANCE,)))) NON-ARBITRATION TRIAL-BY JURY DEMANDED) CLASS ACTION))
Defendants.)

FIRST AMENDED CLASS ACTION COMPLAINT

Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, allege as follows:

Nature of Action

1. This is an action seeking recovery of compensatory, punitive and treble damages, reasonable attorneys' fees, and declaratory and other relief arising from defendants' breaches of insurance contracts; bad faith breaches of insurance contracts; violations of 21 Del. C. §§ 2118 and 2118B, 6 Del. C. §§ 2513 and 2532, 18 Del. C. § 2301 et seq., and 18 U.S.C. 1962; common law fraud; and otherwise wrongful refusal to honor [#s]their contractual obligations arising under certain policies of automobile

insurance issued by GOVERNMENT EMPLOYEES INSURANCE COMPANY, GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, [and/or] GEICO INDEMNITY COMPANY, CRITERION INSURANCE AGENCY, INC. (COLONIAL COUNTY MUTUAL INS.), doing business as "GEICO" or "GEICO Direct", (collectively, "GEICO"), to members and representatives of the plaintiff class.

2. This is a class action brought on behalf of [these of]—GEICO's Delaware policyholders who submitted covered claims for medical expenses or other benefits under Personal Injury Protection (or "PIP") coverage issued as part of GEICO's insurance contracts, or who were otherwise entitled to GEICO's performance under such coverage; but who, owing to GEICO's arbitrary, unreasonable, unjustified, unfair, fraudulent, deceptive and otherwise wrongful and illegal conduct (as shown by the arbitrary, regular, routine and consistent pattern and practice of claims), were denied the benefits and performances to which they were lawfully entitled.

The Parties

- 3. Plaintiff Kerry Johnson is a natural person residing at 1007 Mistover Lane, Newark, Delaware –19713, and a named insured under GEICO IMDEMNITY

 COMPANY auto policy 4009-41-57-30. Mr. Johnson has tendered reasonable and necessary claims for PIP benefits under the subject policy to GEICO, including claims tendered on his behalf by health care providers.
- 4. Plaintiff Sharon Anderson is a natural person residing at 216 North Connell Street, Wilmington, Delaware 19805, and a named insured under [GEICO]GOVERNMENT EMPLOYEES INSURANCE COMPANY auto policy 0571-19-46-04. Ms. Anderson has tendered reasonable and necessary claims for PIP benefits

under the subject policy to GEICO, including claims tendered on her behalf by health care providers.

- 5. Defendant [GEICO] GOVERNMENT EMPLOYEES INSURANCE COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001.

 GOVERNMENT EMPLOYEES INSURANCE COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 6. <u>Defendant</u> GEICO <u>CASUALTY</u> <u>COMPANY</u> is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO CASUALTY COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 7. Defendant GEICO GENERAL INSURANCE COMPANY is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO GENERAL INSURANCE COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.
- 8. <u>Defendant GEICO INDEMNITY COMPANY</u> is an insurance company a Maryland corporation whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001. GEICO INDEMNITY COMPANY is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.

5.9 Defendant CRITERION INSURANCE AGENCY, INC. (COLONIAL COUNTY MUTUAL INS.) is an insurance company – a Texas corporation – whose principal place of business is located at One Geico Plaza, Washington, D.C. 20076-0001.

CRITERION INSURANCE AGENCY, INC. (COLONIAL MUTUAL INS.) is engaged in the business of insurance, and regularly sells insurance within the State of Delaware.

Factual Background Applicable to the proposed Plaintiffs' Class

- 6:10. GEICO is a prolific underwriter of automobile insurance, including first-party medical benefits for persons injured while driving or occupying motor vehicles. In Delaware, such no-fault coverage is known as "personal injury protection" or "PIP."
- 7. [For years, GEICO has derived substantial revenues and profits from the sale of such insurance products in Delaware.]
- 11. When an individual is injured in an automobile collision, a no-fault policy is intended to provide coverage for medical bills incurred, and wages lost as a result of the accident. Legislators have intended such policies which are mandatory in Delaware to provide immediate coverage following an accident, regardless of who is at fault.
- 12. <u>GEICO</u> is a prolific advertiser in the insurance services market, GEICO's advertising campaign, which includes the slogan, "Fifteen minutes could save you fifteen percent or more on car insurance" is ubiquitous on television, radio and the internet.

Filed 01/11/2008

21 Del. C. § 2118B imposes definite requirements on the handling of PIP claims. Subsection (c), for example, requires insurers to "promptly process" PIP claims, and to either pay or deny them within thirty days. It also requires that an insurer's denial of coverage be explained to the insured in writing.

9-15. 21 Del. C. § 2118B(d) provides in part that if an insurer fails to pay covered PIP benefits within thirty days, and does so "in bad faith," the claimant is entitled to recover (in addition to the principal amount due) "an award for the costs of the action and the prosecution of the action, including reasonable attorney's fees...."

10.16. When GEICO denies PIP benefits, in whole or in part, a PIP claimant may [appeal to]file suit with the Department of Insurance. In such cases, the Department of Insurance typically, if not always, directs GEICO to pay PIP benefits to the PIP claimant. Notwithstanding repeated rulings by the Department of Insurance, GEICO continues to improperly reduce payments owed on bills, and denies PIP benefits in direct contradiction of rulings by the Department of Insurance and Delaware law.

GEICO's Fraudulent Practices

11.17. Under 21 Del. C. §§ 2118 and 2118B, and under GEICO's contractual obligations, GEICO must provide PIP benefits for reasonable and necessary medical expenses that arise from injuries sustained in automobile accidents. If these three elements - reasonableness, medical necessity and causation - are met, GEICO must pay the full amount of the expense incurred, subject to other statutory limitations.

- 13. [For years, GEICO has engaged in the systematic delay or denial of full PIP benefits to Delaware claimants in violation of law, and without reasonable basis.]
 - 14. [GEICO routinely fails to pay PIP claims in Delaware.]
- 15. [GEICO routinely fails to pay PIP claims in Delaware within the thirty-day statutory period under 21 Del. C. § 2118B.]
- 19. For years, GEICO sold policies to its insureds with the express promise that its policies would save its insureds money, and that its policies would cover reasonable and necessary claims submitted under PIP. For years, individuals purchased policies from GEICO, believing that GEICO would honor its obligations under the policies and Delaware law.
- 20. For years, GEICO's insureds have submitted claims for reasonable and necessary medical bills and lost wages under PIP, in compliance with Delaware law. In return, GEICO engaged in an arbitrary and systematic delay or denial of full PIP benefits to Delaware claimants in violation of law, without reasonable basis or justification.
- 21. <u>GEICO routinely fails to pay reasonable and necessary PIP claims in Delaware.</u>
- 22. GEICO routinely fails to pay reasonable and necessary PIP claims in Delaware within the thirty-day statutory period under 21 Del. C. § 2118B.

analyze PIP claims. Under this "procedure," GEICO states that it limits its payment of PIP-related expenses to "the usual and customary charges for [the claimant's] area." In reality, GEICO conducts an arbitrary bill reduction, without justification. By doing so, GEICO violates Delaware law and breaches its contractual and legal obligations—[both of which require payment of reasonable expenses, regardless of what a treatment's "usual" charge may be.].

they exceed what is usually charged in the locality - - especially where the excess over the "usual" charge is nominal. In addition, a charge may exceed the "usual" charge and still be reasonable, if it reflects the greater than-usual expertise of the care provider, or the care provider's use of state-of-the-art (and hence, more costly) equipment.

information and belief, Delaware doctors collect unpaid medical bills directly from GEICO's insureds. Delaware doctors refer unpaid medical bills to collection agencies—

a fact that was explicitly recognized by the Delaware general assembly when it passed 21 Del. C. §2118 "to prevent the financial hardship and damage to personal credit ratings that can result from the [unjustifiable]unjustifiable delays of [PIP] payments." When [and if] GEICO withholds a portion of the treating physician's reasonable fee, it offers no protection to [its] the insured or the insured's personal credit ratings.

19:26. Additionally, GEICO wrongfully and arbitrarily denies PIP benefits without obtaining any independent medical or expert opinion justifying the termination of medical treatment for reasons of medical necessity or causation. The

denial of benefits in whole, or in part, without any credible medical basis is prohibited under Delaware law.

Allegations Specific To Plaintiff Kerry Johnson

27. Plaintiff Kerry Johnson purchased GEICO insurance because GEICO represented it would cover his claims in the event of an automobile accident, and because he believed GEICO would fully cover him in the event of an automobile accident. Mr. Johnson paid his insurance premiums to GEICO.

20.28. Mr. Johnson was injured in an automobile collision in New Castle County, Delaware on or about July 16, 2004. As alleged above, Mr. Johnson was a named insured under a GEICO auto policy on the date of the accident.

21.29. In connection with his claim for PIP benefits, Mr. Johnson has been subjected by GEICO to the systematic practices complained of above.

22.30. GEICO has delayed payment of covered PIP benefits to Mr. Johnson without reasonable justification.

23.31. GEICO has denied payment of covered PIP benefits to Mr. Johnson without reasonable justification.

24. [GEICO denied payment of covered PIP benefits purportedly because "[t]he procedure billed exceeds the level of service required by the diagnosis given or the condition for which this patient is being treated," notwithstanding the fact that GEICO conducted no medical examination of Mr. Johnson prior to making that determination.]

25. [GEICO has failed to pay or deny Mr. Johnson's claims for PIP benefits within thirty days of its receipt of the same, in violation of 21 Del. C. §§ 2118 and 2118B.]

- 32. [On information and belief, GEICO]Specifically, Mr. Johnson received medical treatment from various providers including Family Practice Associates, P.A., Rehabilitation Associates, P.A., Delaware Neurosurgical Group, P.A., and Neurology Associates. Medical bills and medical records from these treating offices were provided to GEICO. These medical records documented the medical care providers' diagnosis, prognosis and treatment plan for Mr. Johnson.
- undergo physical therapy as a result of the accident. (Exhibit A, p. 2.) Dr. Barry Bakst, of Rehabilitation Associates, P.A., clearly wrote in his August 11, 2004 typed report that Mr. Johnson sustained exacerbated cervical spine pain, exacerbated humbosacral spine pain, exacerbated anxiety/depression, myofacial pain, and thoracic strain as a result of the July 16, 2004 automobile accident. (Exhibit B, p. 4.) Further, Dr. Bakst states, "The initiation of rehab and chiropractic care and my treatment is 100 percent related to the motor vehicle accident of 7/16/04." (Exhibit B.)
 - 34. GEICO was provided with both medical bills and medical records from Mr. Johnson. (See, e.g., Exhibit C.) In addition, Mr. Johnson executed a medical authorization so that GEICO was able to request the records from the medical providers directly. (Exhibit D.)
 - 35. Even though Mr. Johnson satisfied his burden of proof by submitting medical records detailing that Plaintiff's injuries and treatment were reasonable and related to the July 16, 2004 accident, GEICO refused to make full and prompt payment.

 For example, when Mr. Johnson submitted bills from Neurology Associates for services performed on November 17, 2004 for brachial neuritis and thoracic and lumbosacral

\$731.00 and GEICO paid \$721.00, providing the general unsupported explanation that, "[t]he charge for the services exceeds an amount which would appear reasonable when compared to the charges of other providers in the same geographic area." (Exhibit E.) GEICO continued to use the same "rationale" to reduce payments for physical therapy: GEICO paid \$52.31 of a \$67.00 exercise bill; \$37.00 of \$38.00 stimulation bill; \$60.00 of a \$62.00 manipulation bill; \$60.00 of a \$90.00 office visit; \$94.00 of a \$98.00 group therapy bill; \$385.00 on a \$536.00 bill for electromyography performed on September 16, 2004, etc. (Exhibit F.)

36. GEICO added another "explanation" for reducing payment on a bill for an office visit on August 11, 2004 to Rehabilitation Associates. GEICO paid \$109.15 of a \$214.00 office visit bill and provided the following reason: "The procedure billed exceeds the level of service required by the diagnosis given or the condition for which this patient is being treated." (Exhibit F, p 6.) This "explanation" is a medical conclusion that is absolutely disallowed and unjustified absent an expert medical opinion to rely on. GEICO did not have such a medical expert until an IME was performed in 2005.

37. GEICO has stated that if Mr. Johnson requests further consideration of any bill balances, a written response from the provider and the bill balance from the insured should be resubmitted. (Exhibit G.) As stated, Mr. Johnson routinely submitted medical records with the medical bills and the providers often submitted the bills as well.

GEICO has still not paid these bills in full.

- 38. Mr. Johnson and his personal injury attorney have been advised by a collection agency. Delaware Recovery Systems, Inc., on behalf of Rehabilitation Associates, that if said attorney does not provide a letter of protection promising to pay the balance, they will "take appropriate action to collect the balance." (Exhibit H.)
- 39. Additionally, GEICO has failed to pay or deny Mr. Johnson's claims for PIP benefits within thirty days of its receipt of the same, in violation of 21 Del. C. §§ 2118 and 2118B.

26.40. GEICO has applied its frandulent "usual and customary" scheme to Mr. Johnson's claims for PIP-related medical expenses. GEICO has thereby failed to pay the reasonable and necessary medical expenses arising from Mr. Johnson's July 16, 2004 collision, in violation of 21 Del. C. §§ 2118 and 2118B and [#s]GEICO's contractual obligations.

Allegations Specific to Sharon Anderson

- 41. Plaintiff Sharon Anderson <u>purchased GEICO insurance because</u>

 GEICO represented it would cover her claims in the event of an automobile accident, and because she believed GEICO would fully cover her in the event of an automobile accident. Ms. Anderson paid her insurance premiums to GEICO.
- 27.42. Ms. Anderson was injured in an automobile collision in New Castle County, Delaware on or about August 3, 2004. As alleged above, Ms. Anderson was a named insured under a GEICO auto policy on the date of the accident.
- 28.43. In connection with [his]-her claim for PIP benefits, Ms. Anderson has been subjected by GEICO to the systematic practices complained of above.

29.44. GEICO has delayed payment of covered PIP benefits to Ms.

Anderson without reasonable justification.

30.45. GEICO has denied payment of covered PIP benefits to Ms. Anderson without reasonable justification.

it determined that Ms. Anderson's Specifically, Ms. Anderson received medical treatment "from Stoney Batter Family Medicine and Fro Physical Therapy for her injuries related to the August 3, 2004 accident. Ms. Anderson treated for headaches, and neck and back pain. Dr. Horatio Jones, of Stoney Batter Family Medicine, ordered physical therapy which she received at Pro Physical Therapy from July 19, 2005 through October 27, 2005. Dr. Jones provided a detailed, typed report dated November 14, 2005 that states that as of Ms. Anderson's last visit on October 10, 2005, "she was left with mild neck pain and low back pain which may be exacerbated from time to time." (Exhibit I. p. 1.) The report also explained that Ms. Anderson had prior low back pain, but "it is within a reasonable degree of medical probability that the accident which occurred on August 3, 2004 did exacerbate her low back condition." (Exhibit I. p. 2.)

47. Ms. Anderson received treatment at Stoney Batter Family Medicine on August 5, 2004, and GEICO paid \$145.00 of a \$145.00 bill. Strangely, on June 13, 2005, when Ms. Anderson had the same type of office visit and was charged \$145.00, GEICO only paid \$114.00. (Exhibit J.) Ms. Anderson was informed by her provider that "Balance shown [\$31.00] is patient's responsibility." (Exhibit J. p. 2.)

48. From July 21, 2005 to October 27. 2005, Ms. Anderson treated at Pro
Physical Therapy and GEICO routinely failed to pay her bills in full, without

instification. For example, on July 21, 2005, GEICO paid \$0 of a \$35.00 stimulation bill and \$0 of a \$30.00 hot/cold pack treatment bill. (Exhibit K, p. 1.) GEICO provided the following "explanation": "The provider performed a physical medicine modality that would provide no therapeutic benefit [during] during the chronic period of the diagnosed conditions." (Exhibit K, p. 2.) GEICO had not performed an IME and therefore had no medical expert basis for giving such an "explanation." It appears that GEICO continued to use a variation on that explanation to deny some physical therapy bills in full: "physical medicine modalities the [sic] provide no therapeutic benefit during the chronic period of the diagnosed condition are not reimbursable." (Exhibit K, p. 2.)

49. With respect to bills for hot/cold pack treatment and stimulation on October 4, 2005, October 6, 2005, October 10, 2005, and October 12, 2005, GEICO denied payment based on a new "explanation": "Submit medical records so that we may determine the length of acute care based on the patient's age, diagnosis and medical intervention. The medical records must include positive, specific, objective findings to indicate the appropriate use of the physical modality as well as a progression to an active therapeutic exercise program with a decrease in passive modalities. If we are unable to validate ongoing acute care, we may seek independent medical review." (Exhibit L, p. 3.) Ms. Anderson provided GEICO with relevant medical records, Although GEICO is not permitted and unjustified to "determine the length of care" without the opinion of a medical expert, which it did not have, Ms. Anderson was charged with a balance of \$1,302.00. (Exhibit M.)

31.50. GEICO denied payment of covered PIP benefits purportedly because it determined that Ms. Anderson's treatment "would provide no therapeutic

benefit during the chronic period of the diagnosed conditions," notwithstanding the fact that GEICO conducted no medical examination of Ms. Anderson prior to making that determination.

. 32:51. GEICO has failed to pay or deny Ms. Anderson's claims for PIP benefits within thirty days of its receipt of the same, in violation of 21 Del. C. §§ 2118 and 2118B.

"usual and customary" scheme to Ms. Anderson's claims for PIP-related medical expenses. GEICO has thereby failed to pay the reasonable and necessary medical expenses arising from Ms. Anderson's August 3, 2004 collision, in violation of 21 Del. C. §§ 2118 and 2118B and its contractual obligations.

Class Certification Allegations¹

34.53. This action is brought and may properly be maintained as a class action pursuant to Superior Court Civil Rules 23(a) and (b) (1) (A), (2) and (3). Plaintiffs Kerry Johnson and Sharon Anderson bring this action on behalf of themselves and all others similarly situated, as representative of the following proposed class: All of GEICO's Delaware insureds who, during the period GEICO has issued insurance in Delaware, submitted covered (reasonable and necessary) claims for medical expenses or other benefits under PIP coverage issued as part of GEICO's insurance contracts; but who, owing to GEICO's unreasonable, unfair, fraudulent, deceptive and otherwise wrongful conduct (as shown by the regular, routine and consistent pattern and practice of

Plaintiffs' allegations for class certification do not constitute a motion for class certification, and Plaintiffs reserve the right to pursue discovery on issues related to class certification prior to filing a motion therefor.

claims alleged above), were denied the benefits and performances to which they were entitled, or otherwise subjected to injury.

Numerosity of the Class [(Super. Ct)(Fed. R. Civ. [R]P. 23(a)(1))

35.54. The proposed class is so numerous that the individual joinder of all its members is impracticable. GEICO has been, at all relevant times, a major underwriter of PIP coverage; and it remains so today. While the exact number and identities of the proposed class members is presently unknown; and can only be determined through investigation and discovery, [plaintiff is] Plaintiffs are informed and believes that the proposed class includes over 1,000 members.

Existence and Predominance of Common Questions of Law and Fact [(Super. Ct.)(Fed. R. Civ. [R]P. 23(a)(2), 23(b)(3))

- 55. Common questions of law and fact exist as to all members of the proposed class. They include, without limitation, the following:
- a. Whether GEICO engages in the delay or denial of covered PIP benefits in Delaware without reasonable justification, and as a matter of regular business practice;
- b. Whether GEICO engages in the practices complained of in the paragraphs above as a matter of regular business practice;
- c. Whether GEICO engages in the practices proscribed under 18 <u>Del. C.</u> § 2303 as a matter of regular business practice;
- d. Whether GEICO engages in the practices proscribed under 18 <u>Del. C.</u> § 2304(16) as a matter of regular business practice;
- e. Whether GEICO's conduct is in violation of 21 <u>Del. C.</u> §§ 2118 and 2118B;

- f. Whether GEICO's conduct is in violation of 6 Del. C. § 2513;
- g. Whether GEICO's conduct is in violation of 6 Del. C. § 2532;
- Whether GEICO's conduct is in violation of 18 U.S.C. §1962;
- i. Whether GEICO has evinced a conscious indifference to the rights of the proposed class members;
- j. Whether the subject insurance contracts constitute property insurance within the meaning of 18 Del. C. §904;
- k. Whether the proposed class is entitled to compensatory damages, and if so, the amount of such damages;
- Whether the proposed class is entitled to treble damages, and if so, the amount of such damages;
- m. Whether the proposed class is entitled to punitive damages, and if so, the amount of such damages; and
- n. Whether the proposed class is entitled to recovery of its reasonable attorneys' fees, and if so, the amount of such fees.

Typicality of Claims [(Super.-Ct] (Fed. R. Civ. [R]P. 23(a)(3))

36.56. Plaintiffs' claims are typical of the claims of the members of the proposed class. Mr. Johnson and Ms. Anderson are GEICO insureds with pending, umpaid claims for PIP benefits that GEICO has denied. To the extent that GEICO has paid PIP benefits to Mr. Johnson and Ms. Anderson, it has failed to do so in a timely manner. As alleged above, Mr. Johnson and Ms. Anderson have been subjected to the systematic practices identified above. All members of the proposed class have been subjected to one or more of the same systematic practices; and all members of the

proposed class, including Mr. Johnson and Ms. Anderson, have been injured thereby. None of the proposed class members, including Mr. Johnson and Ms. Anderson, were aware of GEICO's fraudulent practices and intent at the time they purchased PIP insurance from GEICO.

Adequacy of Representation [(Super. Ct](Fed. R. Civ. [R]P. 23(a)(4))

27.57. Mr. Johnson and Ms. Anderson are under no actual or potential conflict of interest with respect to other members of the proposed class, and will fairly and adequately protect their interest. They have retained attorneys experienced in the prosecution of complex litigation, complex coverage litigation, PIP-related litigation, and complex trial practice.

Superiority of Class Action ([Super. Ct]Fed. R. Civ. [R]P. 23(b)(3))

adjudication for this dispute, because individual joinder of all members of the proposed class is impracticable, and no other method of adjudication of the claims asserted herein is more efficient and manageable. Further, the damages suffered by individual members of the proposed class may be relatively modest, so that the burden and expense of prosecuting individual actions would make it difficult or impossible for such members to obtain relief. The prosecution of such individual actions would also impose a substantial burden on the Delaware trial courts, and on this Court in particular. At the same time, individualized litigation would entail a significant risk of varying, inconsistent or contradictory judgments, and would magnify the delay and expense to all parties and the

courts, by requiring multiple trials for the same complex factual issues. By contrast, the class action mechanism presents fewer case-management problems; conserves the resources of the parties and the courts; and protects the rights of each member of the proposed class. The proposed class members thus have little interest in individually controlling the prosecution of separate actions; and to counsel's knowledge, there has been no substantial litigation of this dispute in any forum. It is not anticipated that the prosecution of this dispute as a class action will entail any special case-management difficulties; and notice of the pendency of this action, and of any resolution of the same, can be provided to the proposed class by publication and/or individual notice.

Other Grounds for Certification

- 59. This action is also certifiable under Superior Court Civil Rules 23(b)(1) and (2) because:
- a. The prosecution of separate actions by the individual members of the proposed class would create a risk of inconsistent or varying adjudications with respect to such individual class members, thus establishing incompatible standards of conduct for GEICO; and
- b. GEICO has acted or refused to act on grounds generally applicable to the class, thereby making appropriate declaratory relief with respect to the class as a whole.

Tolling Of Applicable Statutes Of Limitation

39.60. Any applicable statutes of limitation have been tolled by GEICO's fraudulent concealment of the systematic practices alleged above. Because GEICO deals

with each proposed class member individually, such class members are unable, acting alone, to discover GEICO's pattern of fraudulent conduct and racketeering activity. At the moment that each proposed class member's insurance contract with GEICO was formed, GEICO was already engaging in the systematic practices complained of herein, and so had already formed its intent to pursue such practices; but in each case, GEICO concealed that (inherently unknowable) intent from its prospective insured.

COUNT I <u>Declaratory Judgment</u>

40.61. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

41.62. Under Delaware law, and under the obligations imposed by GEICO's respective insurance contracts with the proposed class members, GEICO was required to pay covered claims for PIP benefits.

42.63. Under Delaware law, and under the obligations imposed by GEICO's respective insurance contracts with the proposed class members, GEICO was required to pay covered claims for PIP benefits with reasonable promptness.

43.64. GEICO has failed to pay the proposed class members' covered claims for PIP benefits.

44.65. GEICO has failed to pay the proposed class members' covered claims for PIP benefits with reasonable promptness.

45.66. An actual controversy of a justiciable nature exists between [plaintiffs] Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated (on the one hand) and GEICO (on the other), concerning the

parties' rights and obligations under the subject GEICO insurance contracts. The controversy is of sufficient immediacy to justify the entry of a declaratory judgment.

46-67. Declaratory relief by this Court will terminate some or all of the existing controversy between the parties.

68. Plaintiffs, on behalf of themselves and all others similarly situated respectfully request that this Court enter judgment, as a matter of law, that: (i) GEICO violated 21 Del. C. § 2118; and (ii) GEICO breaches its contracts with its insureds by failing to pay claims submitted in accordance with Delaware's PIP statute.

COUNT II Breach [Of] of Contract

47.69. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

because GEICO represented it would cover claims in the event of an automobile accident, and because they believed GEICO would fully cover properly submitted claims in the event of an automobile accident. Plaintiffs, and all those similarly situated, paid their insurance premiums to GEICO.

48-71. GEICO has breached the subject contracts of insurance by delaying or denying payment of covered claims for PIP benefits.

49.72. As a direct result of GEICO's breaches of the subject insurance contracts, [plaintiffs] Plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated have been deprived of the benefit of the insurance coverage for which

premiums were paid under those contracts. As a further result of GEICO's breaches of contract, [plaintiffs] Plaintiffs Kerry Johnson and Sharon Anderson and all others similarly situated have been deprived of necessary medical care, with resulting pain and suffering and exacerbation of injury. As a further result of GEICO's breaches of contract, Plaintiffs have suffered economic loss, including paying medical bills that should have been covered by insurance, facing collection actions by Delaware doctors and third party collection agencies, and being referred to negatively to credit agencies

COUNT III Bad Faith Breach of Contract

50-73. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

<u>51.74.</u> GEICO's denial of covered PIP benefits, as heretofore alleged, has been without reasonable justification.

<u>52.75.</u> GEICO's delay in the payment of covered PIP benefits, as heretofore alleged, has been without reasonable justification.

53.76. GEICO knowingly and intentionally violated its contract with Plaintiffs and applicable law by performing arbitrary and improper bill reductions, without justification.

54:77. As a direct result of GEICO's bad faith breaches of the subject insurance contracts, Plaintiffs and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT IV Breach of the Duty of Fair Dealing

55.78. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

56.79. GEICO has failed and refused to deal fairly with plaintiffs Kerry Johnson and Sharon Anderson, and with all others similarly situated, in connection with their covered claims for PIP benefits.

57.80. As a direct result of GEICO's breaches of its contractual duty of fair dealing, plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated, have suffered and will suffer injury as heretofore alleged.

COUNT V Common Law Fraud

58.81. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

Solution and Sharon Anderson, and to all others similarly situated, contained representations of fact. Among them was the representation mandated by 21 <u>Del. C.</u> §§ 2118 and 2118B—that covered PIP benefits, including reasonable and necessary medical expenses, would be paid.

59.83. Plaintiffs, and all those similarly situated, purchased GEICO insurance because GEICO promised it would pay covered claims in the event of an automobile accident, and because they believed GEICO would fully pay covered claims, including reasonable and necessary medical expenses and lost wages under PIP in the

event of an automobile accident. Plaintiffs, and all those similarly situated, paid their insurance premiums to GEICO.

60.84. An implied representation of fact contained in all the disputed insurance policies was that GEICO would neither delay nor deny payment of covered PIP benefits without reasonable justification.

61.85. An implied representation of fact contained in all the disputed insurance policies was that GEICO would deal fairly with its insureds under those contracts.

62.86. Representations of fact made by GEICO under the disputed policies, including the representations alleged in the paragraphs above, were false.

63-87. GEICO knew that the subject representations were false at the time they were made.

64.88. GEICO believed that the subject representations were false at the time they were made.

65-89. The subject representations were made by GEICO with reckless indifference to their truth or falsity.

66.90. GEICO made the subject representations with the intent to induce [plaintiffs] Plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated, to enter into the disputed insurance contracts with GEICO, and to make premium payments to GEICO thereon.

67.91. Plaintiffs Kerry Johnson and Sharon Anderson, and all others similarly situated entered into the disputed insurance contracts with GEICO in reliance on the subject representations.

68-92. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, were justified in relying on GEICO's representations as alleged.

69.93. In addition to its affirmative acts of misrepresentation, GEICO also concealed from [plaintiffs] Plaintiffs Kerry Johnson and Sharon Anderson, and from all others similarly situated, its intent to dishonor its contractual obligations under the disputed insurance contracts, and the systematic practices by which it would do so.

70.94. As a direct result of GEICO's fraudulent representations and concealment, [plaintiffs]Plaintiffs Kerry Johnson and Sharon Anderson and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT VI Consumer Fraud

71.95. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.

72.96. GEICO's conduct, as alleged above, is in violation of 6 Del. C. § 2513.

97. Specifically, as set forth herein, GEICO has engaged in deception, fraud, false pretense, false promise, misrepresentation, concealment, suppression or omission of material facts with its insureds, with the intent that its insureds and prospective customers rely on such conduct in connection with the sale or advertisement of its products.

73.98. As a direct result of GEICO's violations of 6 <u>Del. C.</u> § 2513, [plaintiffs]Plaintiffs Kerry Johnson and Sherry Anderson, and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT VII Uniform Deceptive Trade Practices

74.99 Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein. GEICO's conduct, as alleged above, is in violation of 6 *75*-100. Del. C. § 2532. On information and belief, in the course of GEICO's business, GEICO's conduct which is violative includes, but is not limited to: GEICO represents that GEICO's insurance services provide all benefits as required by Delaware law when it does not; GEICO represents that GEICO's insurance services meet the standards set by Delaware law when it does not; GEICO advertises services that purportedly meet the standards set by Delaware law with the intent not to sell them as advertised; GEICO engages in conduct as set forth in this [complaint]Complaint which creates a likelihood of confusion or misunderstanding. As a direct result of GEICO's violations of 6 Del. C. § 2532, [plaintiffs]Plaintiffs Kerry Johnson and Sherry Anderson, and all others similarly situated have suffered and will suffer injury as heretofore alleged.

COUNT VIII 18 Del. C. § 2301 et seq.

- <u>77-102.</u> Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- will save its insureds money, and that it will pay covered claims. In fact, as set forth herein, GEICO misrepresents the benefits, advantages, conditions or terms of its insurance policies, in violation of 18 Del. C. § 2304(1).
- 104. GEICO's conduct, described herein, further violates 18 Del. C. § 2304(2), in that it repeatedly publishes statements which are untrue, deceptive or misleading.
- 2304(16). GEICO misrepresents the benefits of its insurance policies, fails to acknowledge and act reasonably promptly upon communication with respect to claims arising under its insurance policies, refuses to pay claims without conducting a reasonable investigation based upon all available information, fails to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed, and compels its insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds.

78-106. As a result of GEICO's violations of 18 Del. C. § 2301, et seq., Plaintiffs, and all those similarly situated, are entitled to damages, including statutory damages provided for by this Act.

COUNT IX Racketeering Activity

- 107. Plaintiffs Kerry Johnson and Sharon Anderson, on behalf of themselves and all others similarly situated, repeat and incorporate by reference the averments set forth above as if fully set forth herein.
- including its sale of PIP coverage,] GEICO is an enterprise [that affects interstate commerce.] [At all relevant times, GEICO has operated the enterprise] as defined by [which it sells automobile insurance products, including PIP coverage, in Delaware.] [At all relevant times, GEICO has participated in the conduct and affairs of the enterprise] 18 U.S.C. §1961(4), by which it sells automobile insurance products, including policies for PIP coverage, in Delaware
- above, GEICO has pursued a scheme to defraud its insureds]. GEICO has engaged in a pattern of racketeering activity to operate an enterprise which is engaged in activities that affect interstate commerce, in violation of 18 U.S.C. § 1962(a). GEICO receives substantial income from its racketeering activities.
- 79-110. GEICO [has used]regularly uses the United States [mails in furtherance of tha]tmail to conduct its scheme to defraud its insureds and prospective

customers, and for the purpose of executing, or attempting to execute, its scheme: to defraud its insureds and prospective customers.

80.111. Through a pattern of racketeering activity, including two or more acts of mail fraud (as defined under 18 U.S.C. § 1341), GEICO has participated in the fraudulent insurance enterprise alleged above.

<u>a-112.</u> As a direct result of GEICO's pattern of racketeering activity, [plaintiffs]Plaintiffs and all others similarly situated have suffered and will suffer injury as heretofore alleged.

113. As a direct result of GEICO's pattern of racketeering activity, [plaintiffs]Plaintiffs and all others similarly situated have been injured in their property; namely, in their loss of money and contract rights.

WHEREFORE, [plaintiffs]Plaintiffs, on behalf of themselves and all others similarly situated, respectfully requests that this Court enter judgment as follows:

- a. Entering an Order certifying the plaintiff class, appointing [plaintiffs]Plaintiffs Kerry Johnson and Sharon Anderson as representatives of that class, and appointing Mr. Johnson's and Ms. Anderson's counsel to represent that class, all pursuant to Superior Court Civil Rule 23;
- b. Declaring the parties' rights, duties, status or other legal relations under the disputed insurance contracts and 18 Del. C. § 2118;
- c. Awarding to [plaintiffs | Plaintiffs and all others similarly situated damages, including compensatory damages, consequential and incidental damages, for GEICO's breaches of its insurance contracts;
 - d. Awarding to [plaintiffs]Plaintiffs and all others similarly situated

punitive damages for GEICO's bad faith breaches of its insurance contracts;

- e. Awarding to [plaintiffs]Plaintiffs and all others similarly situated punitive damages for GEICO's breaches of its contractual duty of fair dealing;
- f. Awarding to [plaintiffs]Plaintiffs and all others similarly situated compensatory, consequential and punitive damages for GEICO's common law fraud;
- g. Awarding to [plaintiffs]Plaintiffs and all others similarly situated compensatory, consequential, treble and punitive damages for GEICO's violations of 6 Del. C. § 2513;
- h. Awarding to [plaintiffs]Plaintiffs and all others similarly situated compensatory, treble damages and, to the extent the Court finds that GEICO willfully engaged in a deceptive trade practice, reasonable attorney fees and costs for GEICO's violation of 6 Del. C. § 2532;
- i. Awarding to [plaintiffs]Plaintiffs and all others similarly situated compensatory, treble damages and, to the extent the Court finds that GEICO willfully engaged in a deceptive trade practice, reasonable attorney fees and costs for GEICO's violation of 18 Del. C. § 2301 et seq.;
- j. Awarding to [plaintiffs]Plaintiffs and all others similarly situated compensatory damages, treble damages and reasonable attorneys' fees for GEICO's violation of 18 U.S.C. § 1962;
- k. Awarding to [plaintiffs]Plaintiffs and all others similarly situated their reasonable attorneys' fees in the prosecution of this action, consistent with 18 Del. C. § 4102;
 - l Awarding to [plaintiffs]Plaintiffs and all others similarly situated

all costs of this action, all costs of the prosecution of this action, and their reasonable attorneys' fees, consistent with 21 <u>Del. C.</u> §§ 2118 and 2118B;

m. Awarding to [plaintiffs]Plaintiffs interest for unpaid claims consistent with 21 Del. C. § 2118.

n. Awarding to Plaintiffs and all others similarly situated all costs of this action;

o. Awarding to [plaintiffs]Plaintiffs pre- and post-judgment interest;

and

p. Awarding such other and further relief as this Court deems just and appropriate.

Dated: [April 19] August 24, 2006 Wilmington, Delaware CROSS & SIMON, LLC

By:
Richard H. Cross, Jr. (No. 3576)
Christopher P. Simon (No. 3697)
Kristen Healy Cramer (No. 4512)
Kevin S. Mann (No. 4576)
913 North Market Street, 11th Floor
P.O. Box 1380
Wilmington, Delaware 19899-1380
(302) 777-4200

Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

KERRY JOHNSON and SHARON ANDERSON, on behalf of themselves and all others similarly situated, Plaintiffs, v. GEICO CASUALTY COMPANY, GEICO GENERAL INSURANCE COMPANY, and GEICO INDEMNITY COMPANY,)))))))))) (C.A. No. 1:06-cv408 (JJF))) NON-ARBITRATION) TRIAL BY JURY DEMANDED) CLASS ACTION)
Defendants.)
UPON CONSIDERATION OF Plate "Motion"),	ORDER intiff's Motion for Leave to Amend the Complaint
IT IS HEREBY ORDERED that:	
1. Plaintiffs' Motion is hereby	GRANTED; d leave to amend their Complaint as set forth in the
Motion; and	
3. The First Amended Complain	nt shall relate back to the date of the Complaint filed
on April 19, 2006.	
Dated:	The Honorable Joseph J. Farnan United States District Court

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of August 2006, a true and correct copy of the foregoing Motion for Leave to Amend was served on the following counsel of record in the manner indicated:

BY HAND DELIVERY

Dawn L. Becker, Esquire
Gary Alderson, Esquire
LAW OFFICES OF DAWN L. BECKER
Citizens Bank Center
919 Market Street, Suite 725
Wilmington, DE 19801

BY FIRST CLASS MAIL

George M. Church, Esquire Laura A. Cellucci, Esquire MILES & STOCKBRIDGE P.C. 10 Light Street Baltimore, Maryland 21202

Christopher P. Simon (No. 3697)